



INDEPENDENT

35p
(Republic of Ireland 45p)

THURSDAY 14 DECEMBER 1995

287

CHILDREN OF WAR APPEAL
HOW TO GIVE HELP
TO THE YOUNGSTERS
OF SARAJEVO

Page 13

TEACH YOUR KIDS A LESSON

The best and worst educational computer games for this Christmas
Section Two page 11

THE BEST SEATS IN THE HOUSE

Get them at the City Vic to see
BEN ETTINGER IN THE WILDCATS



Building societies scramble to make cuts after Chancellor lops off a quarter point

Mortgages at lowest rate for 30 years

COLIN BROWN
and PAUL WALLACE

Mortgage rates were cut to their lowest levels for a generation yesterday, giving millions of householders a pre-Christmas boost - after the Chancellor, Kenneth Clarke, reduced interest rates by a quarter of one per cent.

Halifax, Britain's biggest lender, led the scramble by building societies to reduce their rates by announcing that its basic home loan rate was being cut to 7.49 per cent from 7.74 per cent - its lowest level since 1960, when England won the World Cup. The decision cuts about £8 a month off the cost of a £50,000 interest-only loan.

The cautious cut in base rates to 6.5 per cent - the first in almost two years - was given half a cent by the City and Conservative MPs, who are expecting it to be followed up with further cuts in the cost of borrowing in the New Year.

Mr Clarke said the quarter-point cut in base rates - agreed by Eddie George, the Governor of the Bank of England, after months of discussions - was made because the economy slowdown meant a cut in rates would not threaten the Government's inflation target.

His move was rapidly followed by most other lenders, including Abbey, National Bradford & Bingley, Britannia, Woodlands, National & Provincial, Paragon, Northern Rock, Bristol & West, and Norwich and Peterborough. The tiny Newbury-based company had already dropped its rates even further, to 7.29 per cent.

In Nationwide's case, its decision came despite earlier

statements that the base rate cut was not enough to make it drop mortgage rates further.

A Halifax spokeswoman said she hoped the reductions would help boost the housing market. "Homes are more affordable today than for many years. We believe that a rate reduction will help increase confidence, which may not be a cure, but it should be a hopeful incentive."

The City is expecting to see



0.5 per cent interest rates by the end of next year. Presenting a muted front, Mr Clarke and Mr George insisted that on this occasion there had been no disagreement about policy. The decision to cut by a quarter-point had been recommended by the Bank and agreed by the Chancellor.

The only issue at the monthly monetary meeting was whether to go for a quarter or a half per cent cut," said Mr Clarke. "In the end there were pretty decisive arguments for a quarter per cent."

Following the release of up-

to-date figures on unemployment and the state of the high street, the Chancellor said he had arrived at the meeting believing the smaller reduction in interest rates was the right one. Other arguments, counselling caution, he said, were the exchange rate, which was close to its all-time low, and the strong rate of monetary growth.

The Chancellor signalled that any further reductions were likely to be on a similar scale. Mr Clarke said that in an environment of low inflation, he was influenced "by the belief that we should move in quarter rather than half a per cent steps."

Mr George said the Bank's recommendation stemmed from a change in its view about inflation. "The odds have moved in favour of reaching the inflation target of 2.5 per cent or less and on that basis we proposed a quarter per cent reduction."

However, some City analysts expressed scepticism. "The suspicion is, that despite today's statements, the Bank would have preferred not to cut rates yet but have been overruled," said Michael Saunders, economist at Salomon Brothers.

Tory MPs were disappointed that the cut was not bigger, but said it could help to restore the feel-good factor over Christmas, if it was followed by more cuts.

"I don't think it is enough by itself to sustain the Chancellor's growth forecast. I shall be looking for further cuts of a quarter per cent," said John Townend, chairman of the Tory backbench finance committee. The Chancellor needed to ensure there was enough room in the Budget next year to provide pre-election tax cuts.

Following the release of up-to-date pre-election tax cuts.

Eddie George and Kenneth Clarke yesterday

Europe plan for ban on veal crates

KATHERINE BUTLER
Brussels

The European Commission will tomorrow propose a European-wide ban on the raising of veal calves in crates.

But, in a substantial concession to veal-producing countries, farmers already in the veal business will be allowed to use crates for up to 12 years. Campaigners are expected to reject this transition period as far too long.

None the less, the Brussels move represents a considerable victory for public protests - particularly in Britain - against a farming method viewed by animal welfare campaigners as barbaric.

The proposal also represents a victory for the former Secretary of State for Agriculture, William Waldegrave, who lobbied for action at European level.

Scientist and veterinary experts, asked to study the evidence, have recommended the Europe-wide ban, which Britain now hopes will help end protests against live animal exports to the continent. Veal crates have been outlawed in the UK since 1990.

According to the proposal, which will be put to EU agriculture ministers next week, it will be illegal from 1998 for farmers to start using crates for the first time. To allow producers time to adapt to other rearing methods, existing holdings can continue to use individual pens until the end of 2007.

The proposed ban faces bitter opposition from the French, who are the biggest veal producers in the EU. Of the 6 million calves raised in crates in Europe, 80 per cent are in France. There are no plans to provide cash compensation to farmers, according to a draft of the Commission proposal, seen by the *Independent*.

The French have the support of Italy but will not have enough votes in the Council of Ministers to block the measure, which

can be decided by majority vote. Commission officials are confident of majority approval.

The producers say that cramped timber crates to restrict the calves' movement, and a diet of milk-feed, are required if veal eaters are to get the tender white meat they expect. Meat turns redder and tougher if the animals are allowed to exercise. Scientists, however, have concluded that it is abnormal and cruel to deprive calves of "social interaction", of space for normal movements and some roughage in their diet.

EU officials dismissed industry warnings that the market for veal will collapse or that the price of beef, already hit by the "mad cow disease" scare, will plummet if the ban is approved. "The market for veal will still be there. The French and Italians may just have to get used to rosy veal for a change" said one Brussels official.

Crates, which, like battery hen cages, are a typical feature of intensive farming, are of necessity tiny to restrict movement, prevent muscle development and stop calves grazing on anything other than the milk they are fed.

According to one expert, the system induces a type of anaemia in the animals. But supporters including representatives of the feed industry claim the calves are humanely treated, are fed and watered carefully and are not in pain or misery.

Thousands of people took part in peaceful protests this year - in sharp contrast to animal rights extremists who blocked ferry ports and fought with police - to try to persuade Mr Waldegrave to take action.

Demonstrators marched slowly in front of lorry loads of sheep, ministers were sent parcel bombs through the post and internecine rivalry broke out between rival groups of animal rights campaigners.



Photograph: Reuter

Boy dies after shuttle between hospitals

PETER VICTOR

Two NHS trusts promised a full inquiry into the case of a 10-year-old boy who died with a brain haemorrhage after being shuttled between four hospitals.

Nicholas Geldard, was moved between three hospitals in Greater Manchester before being driven 45 miles through a snowstorm to a fourth in Leeds. By the time a scan confirmed the haemorrhage, doctors were unable to save him.

Nicholas, from Offerden, Stockport, collapsed last Thursday and was taken to Stockport

Infirmary. His mother, Cath, said it took 20 minutes for an ambulance to arrive. At the hospital he was seen by a nurse, but not a doctor, she claimed. Mrs Geldard said a decision was taken to give Nicholas a scan at Stepping Hill Hospital.

However, the ambulance took an hour and because the scanner at Stepping Hill operates between 9am and 5pm, when Nicholas reached there, after an ambulance drive through a snowstorm, he was dead.

Mrs Geldard said: "We are very, very angry. You put your life in the hands of the health service yet Nicholas was fatally let down. This shouldn't

happen ever again. It was a nightmare."

Ann Coffey, Labour MP for Stockport, echoing Labour's call for a Department of Health inquiry, said: "There are two serious issues. One is why a very expensive scanner paid for by public subscription is not available after 5pm, and second is the unavailability of intensive care beds. In the north-west we have some very fine hospitals, very fine doctors and very good facilities. But if because of the way the internal market operates you can't use these facilities, it raises questions

about planning and the use of resources. I want this to be investigated at a very high level."

Stockport Healthcare NHS Trust and Stockport Acute Services NHS Trust said in a joint statement: "This is a distressing set of circumstances in which every effort was made by trusts to avoid the ultimately tragic outcome. We offer our deepest sympathy to the family of Nicholas Geldard." The trusts said a "full inquiry" would be held. Preliminary inquiries had indicated that "good clinical practice" was observed.

IN BRIEF

Major's EU warning
John Major is to issue a tough warning of the "price of error" if the EU rejects his plan for an in-depth study of the impact of a single currency. Page 2

Road to ruin
The most expensive road ever built in Britain, the £360m Limehouse Link, was fiercely criticised by MPs. Page 5

Chinese dissident jailed
China's leading pro-democracy dissident, Wei Jingsheng, was jailed for 14 years. Page 10

Today's weather
Cloudy and cold in England and Wales. Section 2, page 21

Private schooling 'has little effect on success'

JUDITH SUPP

Education Editor

Parents who pay for private education to help their children up the social ladder are probably wasting their money, according to research published today.

Research from Sussex University based on 17,000 people shows private school has little or no effect on people's eventual class or job prospects.

The 18-month study, funded by the Economic and Social Research Council, shows that ability is by far the most important influence on success in life.

It is three times as important as parental class in predicting what social class someone will reach as an adult and five times as powerful as private education.

Ability was measured by verbal and non-verbal reasoning tests at 11 (similar to IQ tests) and checked against maths and

reading test scores at 7, 11 and 16.

Professor Saunders said: "The only strong effect of private education I can find is that it gives people a greater level of confidence at 16. It doesn't have any appreciable effect on exam success."

Professor Peter Saunders, the researcher, based his findings on a statistical analysis of the National Child Development Study, which has been monitoring the lives of 17,000 people born in one week in 1958. Their educational attainment and progress were checked at 7, 11, 16, 23 and most recently, at 33.

The analysis confirmed that children of parents in professional, managerial and administrative grades (social classes 1 and 2) had three times the chance of reaching these grades.

TURN TO PAGE 2

Christmas bonuses paid in platinum

NIGEL COPE

Britain's City traders and merchant bankers have found a new hole in the tax system: bonuses paid in the rare metals of platinum sponge and rhodium.

These are the latest in a string of innovative measures designed to prevent the City's big-hitters from paying National Insurance contributions on their bonuses. They have tried it with gold, diamonds, fine wines and even racehorses but found their measures stamped on by the Government.

This year, tax experts say several institutions will pay bonuses in platinum sponge, the pure, powder form of the metal used in the manufacture of catalytic converters. Others will be paid in arsenic sponge or rhodium. With some City

bonuses expected to top £1m and with National Insurance contributions set at about 10 per cent, there is a lot at stake.

It works like this. If employees receive a bonus of £100,000, they will not take delivery of 10 jars of platinum sponge. They will be given a certificate saying the platinum has been bought and that the dealer awaits instructions. Unless the worker has a desire to hoard the powder, which is 99.95 percent pure platinum, it will be sold.

One accountant said: "I know some bonuses are being paid in platinum sponge. But the bigger bonuses cannot be paid in this way as they would exhaust the supply."

The Department of Social Security has been getting tough on bonus payments saying they should be taxed as earnings.

UNRELIABLE

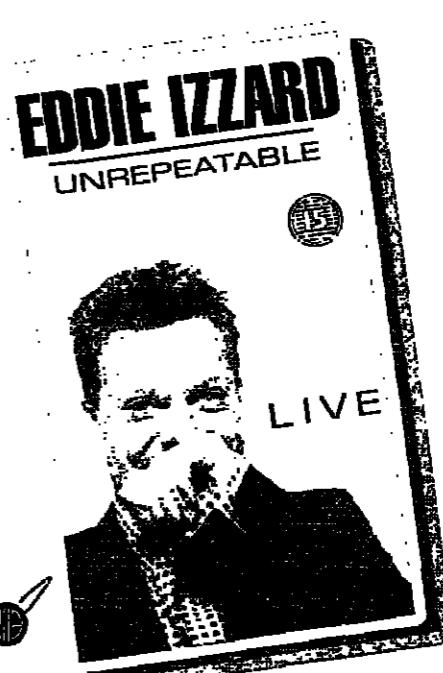
INDETERMINATE

UNPREDICTABLE

UNREPEATABLE

UNMISSABLE

NOW AVAILABLE AT A VERY INEXPENSIVE £12.99 R.R.P.



PolyGram Video

section ONE

BUSINESS 10-14 COMMENT 15-19 CROSSWORD 28 GAZETTE 16 LAW REPORT 16 LEADING ARTICLES 18 LETTERS 2-15 GRAMMARS 16 SHARES 23 SPORT 25-28 UNIT TRUSTS 24

section TWO

ARTS 7-10 CHESS 22 CROSSWORD 22 DILEMMAS 6 EDUCATION 11-19 FILM 7-9 LIFE 4-6 LISTINGS 20-21 REVIEWS 10 TELEVISION & RADIO 23-24 WEATHER 21

9 770851 946344 50

2
news

Major in EU plea over single currency

DONALD MACINTYRE
Political Editor

John Major will tomorrow issue a stern warning to his European counterparts about the "price of error" that will be paid by the EU if it fails to sign up for his proposal for an in-depth study of the impact of a single currency on the community as a whole.

The Prime Minister will press

his case for EU finance ministers to conduct a study - between now and the end of 1996 - of the potential impact of monetary union on economic relations between those countries inside and outside a single currency, and on the planned enlargement of the community.

While the likelihood is that the EU Council in Madrid will back the proposal, Mr Major

has gone out of his way to emphasise the importance he attaches to the study.

He has told colleagues that without it the EU could be sleepwalking towards the biggest change in the European economy since the Gold Standard, without proper consideration of the consequences.

Mr Major's line for the Madrid summit emerged as a

Euro-sceptic parliamentary revolt loomed for next Tuesday over tonnage quotas agreed under the EU's Common Fisheries Policy 12 months ago. The eight former whipless Euro-rebels plan a Commons amendment challenging the agreement and seeking withdrawal from the CFP.

A more potent threat will face the Government if Labour

can secure any Tory backbench support for an amendment of its own which will strongly criticise the fisheries agreement but stop far short of demanding withdrawal from the policy.

Gavin Strang, the shadow Agriculture Minister, claimed last night that the quotas agreement had been a "disaster from the standpoint of the UK fishing industry", and called on Tony Blair to withdraw from the CFP.

Moreover, it will be regarded as significant within the party that the pro-European Kenneth Clarke is to be one of those conducting the study.

Although the Chancellor shares Mr Major's concerns about the need for thorough scrutiny of arrangements for monetary union, he has made clear his forceful opposition to Britain ruling out joining a single currency.

The Royal Philharmonic Orchestra has sacked its managing director, Paul Findlay, and head of public relations, Ewen Balfe, citing "irreconcilable problems".

Lord Menzies, president of the RPO, said yesterday: "I am very sorry that circumstances have dictated a change in the orchestra's management, but I have every confidence that the chairman and board's determination to secure the financial and artistic future of this great orchestra will undoubtedly succeed. Neither of the two sacked men was available for comment last night."

Hope for lost Ben

Chris and Eddie Needham, the grandparents of missing toddler Ben Needham, plan to travel to northern Greece on the slim hope that blond-haired gypsy boy living 50 miles from Santorini could be him. The boy is about six - the age Ben, who disappeared in July 1991, would be now - and Greek authorities say they are prepared to carry out DNA tests if they feel he might be Ben. Ben's mother, Kerry, of Sheffield, said she could not tell from a video if it was her son.

Harrods blackmailed

Detectives were questioning two men about a blackmail threat made to Harrods which attempted to force London's best-known department store to hand over up to £5m. The blackmailers told the Knightsbridge store that unless the money was paid they would release mice into the six food halls during the pre-Christmas period.

Killer was on leave

A man was jailed for life at the Old Bailey yesterday for the "brutal" murder of a Swiss au pair while he was on home leave from a jail term in Lowestoft for a similar offence. Susanna Jungblut, 20, had recently arrived in England when she met Darren Smith, 28, at a disco in Dunstable, Bedfordshire. She was beaten, sexually assaulted and strangled with her own tights.

Winston Churchill MP An apology

In an article that appeared in the *Independent* on 1 May this year Winston S Churchill MP was quoted as having told the *Sunday Times* that the expression of interest by the University of Texas and other potential overseas buyers in the purchase of the Churchill Archive "was all a gambit to squeeze the Government for the best deal". We accept that he did not in fact utter those words or anything like them, and apologise for wrongly attributing this statement to him.

THE INDEPENDENT ABROAD

| | | | |
|------------|-----------|-------------|--------------|
| Austria | ... Sch40 | Netherlands | ... F15.00 |
| Belgium | ... Bf40 | Italy | ... L4,500 |
| Canada | ... Pa300 | Madagascar | ... Ec325 |
| Cyprus | ... Cf120 | Malta | ... 43 cents |
| Denmark | ... Dk15 | Norway | ... Ne20 |
| Iraq | ... Is5 | Portugal | ... Ec25 |
| France | ... Fr14 | Spain | ... Ps300 |
| Germany | ... DM4.5 | Sweden | ... Sk20 |
| Greece | ... Dr450 | Switzerland | ... SR4.00 |
| Luxembourg | ... Lf80 | USA | ... \$3.00 |

OVERSEAS SUBSCRIPTIONS
Av 52s, 13 weeks: Europe £110.76; Zone 1 (Americas, Africa and India) £284.00; Zone 2 (Far East, Australasia) £230.70. To order, please send address changes to *Customer Services*, 125 High Holborn, London EC1A 4TR or telephone 0171-535 6200. Credit cards welcome.
BACK ISSUES
Back copies of the *Independent* are available from *Harcourt Newspapers*, telephone 0208 40255.



Dr Judith Sharpey-Schafer being comforted by her husband, Robin, after telling how she witnessed Dr Anthony Inwald being stabbed

Labour 'playing politics on knives'

JOHN RENTOU and JASON BENNETT

Michael Howard, the Home Secretary, yesterday accused Labour of playing "petty party politics" over his plan to tighten the law on the carrying of knives in the wake of the murder of headteacher Philip Lawrence, who was stabbed outside his school.

Mr Howard announced that the Government would support a Private Member's Bill introduced yesterday by the Conservative MP Lady Olga Maitland, which would allow police to arrest anyone carrying

a knife without needing a warrant, and to raise the maximum penalty to six months' jail.

Jack Straw, Labour home affairs spokesman, said he supported the Bill but that it was too little, too late. Continuing Labour's attempt to outflank the Government as tough on crime, he repeated his demand for even longer jail sentences and more restrictions on the sale of knives.

Mr Howard told BBC Radio 4's *Today* programme: "There are some people who will play petty party politics in almost any circumstances." He accused Labour of having invented its

demand for controls on the sale of knives in the course of Tuesday. Mr Straw retorted later that Labour had tried to amend the 1994 Criminal Justice Act to control the mail order sale of knives.

An inquest into the death of Philip Lawrence heard yesterday that the headmaster, a 48-year-old father of four, died on Saturday, eight hours after being stabbed in the chest outside St George's Roman Catholic School in Maida Vale, west London.

Det Supt Brian Edwards, who is heading the investigation, told the hearing: "We are treating his death as murder and have set up an inquiry to find the people responsible. We are not yet in a position to proffer charges." The inquest adjourned.

Meanwhile, a woman was remanded in custody for a week when she appeared in court yesterday charged over the stabbing of a doctor in his surgery.

Maria Casceiro, of Holloway, north London, was charged with causing grievous bodily harm following an incident involving Anthony Inwald, 59, who was stabbed, and another doctor, Judith Sharpey-Schafer, at a Holloway medical centre.

Ms Casceiro was accompanied by a Portuguese interpreter at the hearing before Highbury Corner magistrates. No application for bail was made. She is due to appear in the court on 20 December.

A police officer was stabbed by a man as he attended a domestic dispute in Ouston, near Chester-le-Street, County Durham. PC Peter Walsh, 35, received surgery and a 10-unit blood transfusion after the attack. Another officer was slashed across the face with a long-bladed Bowie knife by the man, in his 20s, who was later arrested.

Private education 'is not always better'

FROM PAGE 1

by the time they were 33 as children born to parents with semi-skilled or unskilled jobs (social classes 4 and 5).

But Prof Saunders challenges the view that the success of the former is based on class or attendance at private schools. Ability is what counts.

He said: "The evidence indicates that recruitment into the middle classes is much more meritocratic than generally believed. If you want to predict where a child will end up on the social ladder, you can make a reasonable prediction on the basis of just three pieces of information - ability, educational motivation and qualifications."

Prof Saunders is now researching other issues that

might affect class and occupation such as personality, peer group pressure and social networks.

■ Girls are offered far fewer opportunities to play sport after school than boys, according to a report published today. The schools inspection body, Ofsted, says that although most schools are committed to equal opportunities, boys taking part in sports outside lessons outnumber girls by two or three to one. The report on physical education and sport in schools adds that there are too few female games teachers and other women staff give them too little support. The study, based on visits to 86 schools, adds that well-managed competitive sport helps pupils' social and moral education.

Laws protecting schools from intruders were condemned as inadequate by an angry headmaster yesterday after he failed to get an interim injunction to ban a group of teenagers from his school.

John Gribble, headmaster of Bretton Woods Community School in Peterborough, Cambridgeshire, was told by a county court judge that any injunction which he granted would not be enforceable.

The court's decision illustrates the inadequacy of current legislative arrangements for the protection of schools from in-

trusion," said Mr Gribble, two of whose pupils have been threatened or attacked in the past three weeks.

He said that he remained "determined to deal with those mischief-makers who seek to disrupt our school" and that he would be demanding a tightening up of the law to deal with the problem.

The controversy at Bretton Woods comes as the murder of Philip Lawrence, headmaster of St George's Roman Catholic School in Maida Vale, west London, last Friday has heightened concerns about school security. Mr Gribble took court action because he felt he was power-

less to act against a group of teenagers who have been causing trouble at the school. Three weeks ago a pupil was threatened by some youths inside the school. That incident was not sufficiently serious to warrant police action and officers had advised that the school take a civil action. Mr Gribble said: "In the case of certain named individuals, they said that if we could get a court order preventing them from entering the grounds, they could be arrested if they did so."

But on Monday, as the school prepared for yesterday's hearing at Peterborough County Court, two youths burst into a classroom and attacked a 14-year-old pupil. Two youths, aged 15 and 16, have been charged, one with assault and the other with criminal damage.

Yesterday the school sought an injunction banning three named teenagers, including the two charged after Monday's incident, from the school but Judge Angus Macarthur ruled that any injunction he granted would not be enforceable.

He decided that the three, all former pupils at the school, could not be jailed because they were too young and could not be fined because they had no independent income. He said: "These injunctions would

be toothless and should not be granted. I do not think it is appropriate for this court to make an order where there is a likelihood of a breach and in the case of a breach this court would have no powers to act."

Mr Gribble said: "The police seem to be underpowered to deal with situations like this and that is an area which needs to be examined." Acting Superintendent David Hankins, of Peterborough police, said that police causing a nuisance in schools could be charged and fined under the Local Government (Miscellaneous Provisions) Act but there was no power of arrest under the Act.

Head fails to ban intruders from school

WILL BENNETT

Laws protecting schools from intruders were condemned as inadequate by an angry headmaster yesterday after he failed to get an interim injunction to ban a group of teenagers from his school.

John Gribble, headmaster of Bretton Woods Community School in Peterborough, Cambridgeshire, was told by a county court judge that any injunction which he granted would not be enforceable.

The court's decision illustrates the inadequacy of current legislative arrangements for the protection of schools from in-

trusion," said Mr Gribble, two of whose pupils have been threatened or attacked in the past three weeks.

He said that he remained "determined to deal with those mischief-makers who seek to disrupt our school" and that he would be demanding a tightening up of the law to deal with the problem.

But on Monday, as the school prepared for yesterday's hearing at Peterborough County Court, two youths burst into a classroom and attacked a 14-year-old pupil. Two youths, aged 15 and 16, have been charged, one with assault and the other with criminal damage.

Yesterday the school sought an injunction banning three named teenagers, including the two charged after Monday's incident, from the school but Judge Angus Macarthur ruled that any injunction he granted would not be enforceable.

He decided that the three, all former pupils at the school, could not be jailed because they were too young and could not be fined because they had no independent income. He said: "These injunctions would

Judge attacks Howard's 'two strikes and out'

STEPHEN WARD
Legal Affairs Correspondent

Lord Lane became the latest senior judge to attack the Home Secretary Michael Howard in the developing clash between the Government and the judiciary.

The former Lord Chief Justice broke his public silence to warn that automatic life sentences for relatively minor sex offenders would lead to a growing unrest in jails, forcing prison authorities to waste money on increasing security.

Lord Lane, who since his retirement three years ago has become a trustee of the Prison Reform Trust, warns in a magazine article that Michael Howard with his "law and order ballyhoo" risks upsetting the "difficult balance between punishment on one hand and rehabilitation on the other."

The dispute erupted when Mr.

Howard announced his plans to the Tory conference in October. Lord Taylor, the present Lord Chief Justice, issued a statement within an hour to say he thought the Home Secretary was wrong to take away from judges the discretion to sentence according to individual circumstances. Criminals were deterred by fear of getting caught, not long sentences, he said.

Recognising the seriousness of the constitutional crisis, other serving judges have remained silent, but Lord Donaldson, former Master of the Rolls, has described the Government as "despotic", and even Lord Mackay, the Lord Chancellor, has said he thought Mr Howard would have to think again.

Other ministers have weighed in with anonymous attacks accusing judges of bias against the Government in judicial reviews.

Writing in the latest issue of the barristers' journal, *Counsel*,

Lord Lane, who was a senior judge for 12 years until 1992, said the Home Secretary should have considered the experience of the United States, where mandatory life sentences for repeat offenders are the "three strikes and you're out" policy, has overloaded jails with drug offenders serving long spells for relatively minor offences.

He writes: "The Home Secretary said at Blackpool ... 'Anyone convicted for the second time of a serious violent or sexual offence should receive an automatic sentence of life imprisonment.' That is not workable and a mandatory life sentence. The effect on inmates and staff alike of such a programme scarcely needs explaining: increased unrest, increased security on one hand; less time and less money available for education and remedial work on the other."

He suggests that Labour's shadow Home Secretary is also guilty of playing the law and order card. "All political parties claim ... that given the chance they will impose longer sentences and a harsher prison regime, thereby, the reasoning goes, reducing the number of crimes committed."



Lord Lane: Warns of 'increased unrest' in jails

getting caught, not long sentences, he said.

Recognising the seriousness of the constitutional crisis, other serving judges have remained silent, but Lord Donaldson, former Master of the Rolls, has described the Government as "despotic", and even Lord Mackay, the Lord Chancellor, has said he thought Mr Howard would have to think again.

Other ministers have weighed in with anonymous attacks accusing judges of bias against the Government in judicial reviews.

Writing in the latest issue of the barristers' journal, *Counsel*,

Lord Donaldson, former Master of the Rolls, has described the Government as "despotic", and even Lord Mackay, the Lord Chancellor, has said he thought Mr Howard would have to think again.

Other ministers have weighed in with anonymous attacks accusing judges of bias against the Government in judicial reviews.

Writing in the latest issue of the barristers' journal, *Counsel*,

Lord Donaldson, former Master of the Rolls, has described the Government as "despotic", and even Lord Mackay, the Lord Chancellor, has said he thought Mr Howard would have to think again.

Other ministers have weighed in with anonymous attacks accusing judges of bias against the Government in judicial reviews.

Writing in the latest issue of the barristers' journal, *Counsel*,

Lord Donaldson, former Master of the Rolls, has described the Government as "despotic", and even Lord Mackay, the Lord Chancellor, has said he thought Mr Howard would have to think again.

Other ministers

Sara Thornton appeal: Woman who stabbed husband to death gets new hearing after fresh medical evidence

Retrial for murder case 'battered wife'

HEATHER MILLS
Home Affairs Correspondent

Sara Thornton, a *cause célèbre* for battered women, is to face a retrial after the Court of Appeal yesterday quashed her five-year-old conviction for murdering her drunken and violent husband.

The appeal judges decided that fresh medical evidence showing Mrs Thornton was suffering from "battered woman syndrome" and had a personality disorder at the time that she plunged a knife into her husband should be put to a jury.

Mrs Thornton, who had served six years of life sentence after losing a first appeal in 1991, has been granted bail pending a new trial to take place in Birmingham next year.

The judges had been asked to reduce her murder conviction to manslaughter on the grounds that she had been provoked by her husband's behaviour – and that her "vulnerable" personality made her more likely to snap in the face of his insults and threats.

Lord Taylor, the Lord Chief Justice said: "We are firmly of the view that the question of whether the appellant did lose or may have lost her self-control at the time of this killing is essentially a matter for a jury to decide. It is not for us."

Overshadowing her lawyers' claims that a new trial may be prejudiced by the huge amount of publicity her case has generated, Lord Taylor said he was confident a fresh jury "will be able fairly to try the case solely on the evidence they hear".

Mrs Thornton, 36, had plunged a kitchen knife into her husband Malcolm as he lay in drunken stupor at their home in Atherton, Warwickshire, in June 1989, after she claimed he had called her a "whore" and threatened to kill her.

Her failed appeal, 17 months later, was the first in a series of high-profile cases which placed domestic violence and law reform on the political agenda and questioned the defences available to women who kill violent partners – particularly provocation. It was argued that the need to prove a "sudden and temporary" loss of control did not take account of any period of time in which a defendant's emotions could simply "boil over".

But yesterday Lord Taylor underlined the law saying that even women suffering from battered women's syndrome still needed to prove a sudden loss of control. However, he added that since Mrs Thornton's first failed appeal, the law had been clarified to ensure that the jury had to consider a defendant's mental state when deciding whether or not they had lost control.

"We conclude that the fresh evidence and the clarification of the law cast doubt upon the basis of the jury's verdict in this case. We cannot therefore be sure that the verdict was safe and satisfactory," he said.

The judge said that Mrs Thornton's life had been punctuated by a series of "problems and unhappy incidents" caused by her personality disorder, including a number of suicide attempts, by slashing her wrists, cutting her throat and taking an overdose.

She left her first husband, taking their daughter Luisa, because of his drinking habits, and even before her marriage to Malcolm Thornton in August 1988 it was clear he had a serious drink problem.

It was a stormy marriage. There were angry scenes when he was drunk and she used violence," said Lord Taylor.

Mrs Thornton had denied threatening to kill her husband shortly before his death and had told police that she only intended to frighten her husband with the knife.



Judgment day: Sara Thornton, second right, arriving at the Court of Appeal yesterday with friends and supporters

Photograph: John Voss

ribcage. At her trial, she maintained the stabbing was an accident and her lawyers claimed that she had acted out of diminished responsibility.

After the hearing, Mrs

Thornton left court without comment, on bail set at £10,000, part of which was put up by Jennifer Nadel, home affairs editor for ITN who is making a documentary about the case for

Channel 4. ITN put out a statement yesterday stressing that she was acting in a personal capacity.

One of Malcolm Thornton's sons, Stuart, said of the decision to hold a retrial: "The bottom line is our dad died six years ago and we are still going through it all today. It's not fair on us, it wouldn't be fair on any family."

The pits for BBC as ITV gets Grand Prix

MARIANNE MACDONALD
and DAVID FREEMAN

ITV has left BBC on the starting grid by purchasing the rights to broadcast all Formula One Grand Prix races from 1997.

BBC reacted with outward disappointment but private fury to the news of the five-year deal, under which ITV will broadcast all 16 Grands Prix live on Sundays each season, together with a highlights programme. A new show will feature the build-up to each race, including coverage of the qualifying sessions.

ITV has struck the deal with the Formula One Constructors Association. It will help fill a gap left on Sunday evenings by its loss to BSkyB of the English League soccer coverage.

This is another major sporting coup for ITV, following hot on the heels of our recent acquisition of the FA Cup Final," said Martin Plantin, ITV Network director. "When we are of

feted events of this calibre, we have no hesitation in snapping them up very quickly."

The deal was concluded with the Formula One Constructors Association. Bernie Ecclestone, its president, said: "The agreement reached with ITV adds more Formula One and motorsport coverage in the UK."

But BBC insiders felt betrayed by the deal, which was agreed behind its back in four weeks. "The Grand Prix season is very important part of our sports coverage. To lose it is a very big blow," said one.

The battle over sports rights is becoming increasingly frenzied in the light of Sky's sustained poaching. This latest deal illustrates ITV's policy of cherry-picking big sporting events in an attempt to maintain coverage.

In July it bought the rights to the 1999 Rugby Union World Cup and two weeks ago ITV bought the exclusive live rights



Murray Walker: Future in doubt after switch

to the FA Cup from 1997. It is thought to have paid about £60m for the Grand Prix deal – thought to be almost 10 times more annually for the rights than the BBC paid when it signed its last deal in 1993.

The loss marks the end of an era for the BBC. It has covered the races in its *Grand Prix* programme since 1977, but has featured Grands Prix since 1953.

Yesterday the BBC was attempting to contact the commentator Murray Walker in an attempt to let him know of the loss but it said it was not clear whether he will go over to ITV when it gains the coverage.

Mr Walker and the BBC have been synonymous with Grand Prix motor racing coverage since the Sixties, although it was not until the late Seventies that coverage of races became more than sporadic.

Walker took up the mantle of his late father, Graham, who was a motorcycle racing com-

MARIANNE MACDONALD
Media Correspondent

BSkyB has clinched the sole rights to more than 3,000 vintage episodes of *Coronation Street* in a deal which will see it join forces with the ITV company Granada to launch eight channels on satellite late next year.

The move makes Granada the first UK terrestrial broadcaster to start its own national pay-TV channels but will confirm fears that BSkyB has a stranglehold on the pay-TV market.

It is a coup for BSkyB because Granada – immersed in a bitter takeover fight with Forte – owns one of the world's best libraries of 40 years of Granada and LWT programmes, which could provide a key to attracting new subscribers.

The venture will exploit this archive for the first time, running repeats of old *Coronation Street* episodes on a channel called Granada Gold Plus.

However, Granada will also face criticism from the soap's 20 million devotees that they will only be available to viewers with a cable or satellite subscription.

The gold channel will also offer repeats of *The Adventures of Sherlock Holmes, First Among Equals, Jeeves and Wooster, Dempsey and Makepeace, The Charmer and Please Sir*.

The other seven channels will be Health and Beauty, Home and Garden, Food and Wine, Granada Good Life – "stimulating discussions on lifestyle issues" – Granada Men and Motoring, Granada Talk TV – talk shows and gossip – and a TV Shopping Guide.

The eight channels are expected to cost £25m over two years, shared between Granada and BSkyB. They are expected to move into profit in three years and recoup the start-up costs in four.

"We recognise BSkyB are the experts in the area. They have marketing abilities and knowledge of the market," Mr Allen said.

David Chance, deputy managing director of BSkyB, claimed it would be wrong to think his company had "bulled Granada into this. Over a period of months we've looked at different partners and Granada has looked at different partners. Both companies came to the view that our partnership is the best suited."

Two weeks ago the Office of Fair Trading announced an inquiry into BSkyB after complaints from small cable companies that BSkyB is abusing its dominant position in the pay-TV market.



Classic drama: One of the 3,000 vintage Coronation Street episodes to be shown on new satellite channel

Corporation's cupboard is looking bare

ANDREW BAKER

Two weeks ago the BBC lost the FA Cup Final to ITV. Yesterday it parted company with Grand Prix motor racing and its cupboard is looking increasingly bare. What, then, must be wondering in Wood Lane, will we lose next?

A BBC spokesman declined to comment last night on such speculation. Despite the recent raids by its rivals, the corporation retains the rights to Wimbledon, the Open golf

championship and the University Boat Race. But the deal that the BBC has to show the Five Nations rugby union championship – central to its *Grand Stand* programme – runs out in March 1997, and already the predators are circling.

The BBC's current deal is worth £27m over three years. But BBC executives already know that they will have to bid a great deal more to renew it. BSkyB has offered £17.5m for a five-year deal, and the Rugby Football Union has refused to

rule out dealing with them. Tony Hall, the RFU secretary, said at the weekend: "Everything has its price. If that figure were to be doubled, it would be hard to resist."

All may not be lost to the BBC. It may have lost the Cheltenham Festival to Channel 4 but the Wimbledon tennis championships, is safe with the corporation until 1999 under a deal struck last year. The tennis establishment is moved as much by image and presentation as they are by money, so it

is by no means inevitable that the BBC will lose out when the current deal runs out.

Rugby's bosses, of necessity, are more mercenary. And because the sport's ABC1 target audience is a mouth-watering prospect for advertisers, there is little doubt that the satellite station will be able to raise the ante even further: even as high as the £300m-plus that the RFU is looking for. It may not be long before Bill McLaren goes the same way as the McLaren Formula One team.

The other seven channels will be Health and Beauty, Home and Garden, Food and Wine, Granada Good Life – "stimulating discussions on lifestyle issues" – Granada Men and Motoring, Granada Talk TV – talk shows and gossip – and a TV Shopping Guide.

The other seven channels will be Health and Beauty, Home and Garden, Food and Wine, Granada Good Life – "stimulating discussions on lifestyle issues" – Granada Men and Motoring, Granada Talk TV – talk shows and gossip – and a TV Shopping Guide.

Cellnet and Vodafone think it should be 68p to listen to a 1 minute message,

Orange think it should be

9p.

Another reason why on average, Orange users save £20 every month.



prove job security
fail to identify

Most expensive road attacked as wasteful by MPs

CHRIS BLACKHURST
Westminster Correspondent

The most expensive road ever built in Britain came in for savage criticism yesterday from a powerful all-party committee of MPs.

Measuring 1.8 km, the Limehouse Link, which opened in May 1993, connects the East End of London with Docklands. It cost £360m and works out at the equivalent of £26,000 per foot.

MPs on the Commons Public Accounts Committee said it was "unsatisfactory" that the Docklands Development Corporation had not carried out an economic study of the options for the road scheme, which had been built after pressure from property developers in the area. The committee warned that it expected such appraisals to be undertaken before contracts are signed and costs incurred in future.

The hard-hitting report will fuel criticism of the Link, which, despite its cost, is still subject to

delays and hold-ups. While the Link has been completed, bottle-necks still occur at its ends, on the Highway to the west and towards the A11 in the east.

An official at the Institute of Highway and Engineering said yesterday that the link had to be extended – especially in the east – before hold-ups could be eradicated. He suggested the Link could be made a priority "Red Route", like the parallel Whitechapel Road.

The Department of Transport and Docklands Corporation could have done more to put a figure on the wider benefits of the scheme, which had been touted as the reason for its construction. For such large projects, said MPs, "departments should seek to quantify the expected economic benefits".

Once the money is spent, they should also make another study to see if those expected benefits have been achieved, to improve decision-making on future large building projects.

Some of the worst criticism was reserved for the way the

construction costs spiralled, from an early estimate of £141.5m in August 1988 to the figure given out after tenders had been considered, in September 1989, of £227.6m. The Docklands Corporation, one of the Government's flagship urban development organisations, was accused by the MPs, the majority of whom are Conservative, of not "adequately explaining its dramatic underestimate of the expected cost".

One of the main reasons for the failing was the corporation's inability to appreciate the size of the task they were undertaking. The road was short, but it also included a tunnel with houses built immediately adjacent to the sides. In future, public bodies should put enough resources on one side when they begin large projects.

More than £100m was spent on rehousing 565 families living in nearby council properties. The Corporation paid £53.7m for Timber Wharves to rehouse 212 households at an average of £250,000 per household.

Appliance of science: Concern over role of genetics in health and commerce



Dr Watson: 'The real enemy is the disease... At least with testing you have the choice'

Photograph: Geraint Lewis

Watson champions gene testing

DNA discoverer tells Charles Arthur that better quality of life justifies study of defects

testing you have the choice... who you want [to have] a child you knew would develop schizophrenia?"

Dr Watson, who works at the Cold Spring Harbor Laboratory, in New York, was in London for a conference on gene theory, said prohibiting companies from using genetic testing would not end discrimination. "If somebody applies for a job who weighs 400 pounds, or who has a misshapen face, a company is less likely to hire them. The real discrimination comes from disease... if you develop motor neurone disease your working life is shortened."

Humans have an estimated 50,000 to 100,000 genes, arranged on 23 pairs of chromosomes. Each gene consists of millions of "base pairs" of four amino acids, arranged in the twisting "double helix" of DNA – the structure that Dr Watson and Francis Crick discovered at Cambridge University in 1953.

Dr Watson, 67, was the first director of the international Human Genome Project, which aims to find the sequence of 35 billion pairs of amino acids comprising human DNA and has been running for seven years.

Opponents of the sequencing programme say that genes are being linked not only to disease but to behaviour as well, including traits such as violent tendencies and homosexuality.

But Dr Watson defends the value of this research, too. He describes one study of a Dutch family which found their strong tendency towards violence derived from their lacking a gene which creates an enzyme that breaks down chemicals produced when someone becomes angry.

He also supports the principle that allows the patenting of the sequences of human genes in order to exploit them commercially by developing diagnostic tests for them: "You have to look at what system works best for improving the quality of human life. Things get done better and faster if people make money in the process, I'm afraid. And patents only last for 17 years or so... and then the information will be available to everyone for free."

DANNY PENMAN

The Sainsbury and Safeway supermarket chains said yesterday they were not worried by the prospect of consumers boycotting their tomato puree, made from genetically engineered tomatoes.

Puree from the modified tomatoes, developed by the drug company Zeneca, will be sold in the supermarkets from February. It will be the same price as the normal puree and will be stocked next to it. The puree will also be clearly labelled as being produced from genetically engineered fruit.

Both supermarkets said they were producing leaflets to inform the consumer and to counter the image of "Frankenstein's tomato".

David Cox, spokesman for Sainsbury's, said their primary aim was to offer the consumer a choice. "There are obvious benefits to genetically engineered food, such as enhanced taste and longer shelf-life."

The tomato has been engineered to last longer by slowing down the action of an enzyme which rots the fruit. More of the natural thickening agent pectin is retained.

The notion of "Frankenstein's tomato" was resurrected by Prince Charles on Tuesday night, on the eve of a seminar on Britain's disappearing biodiversity.

He said many people saw genetic engineering as the most promising way forward for agriculture, but his heart sank at the prospect of some of the new crops being planned.

His views were backed by Professor Tim Lang, from the Centre for Food Policy at Thames Valley University. "My view is that the principle is right but it's a big step... and yet the consumer is only being asked their views at the end."

Musician tried to save her lover

A musician, Polyanna Peate, told a jury yesterday of her desperate attempts to revive her ageing lover after he collapsed on top of her as they were making love in the back of his car.

Mrs Peate, 34, denied assaulting Brian Phillips, a grandfather of 62, insisting: "I would not hurt him."

Chester Crown Court has heard that for 10 years the couple regularly had sex after rehearsals with the Frodsham Silver Band, in an affair they kept secret from their marital partners but which was "an open secret" among their fellow musicians.

Mrs Peate, a euphonium

Up to £6,000^t cashback with the Woolwich.

Plus a 3% discount in the first year.

4.74% (4.9% APR) FOR 1 YEAR

At the Woolwich our new Cashback Plus Mortgage offers up to £6,000^t cashback and a 3% discount. It's available to all new mortgage customers and existing customers on the move.

If you take out a mortgage at our standard variable rate, and do not borrow more than 95% of the Society's valuation, not only will we reduce your payments by 3% for the first year but – after completion – we will give you a cheque for 3% of the loan up to £6,000!

With our award-winning performance for our mortgages over the long-term, this offer is more proof that it's good to be with the Woolwich.

So call in to your local Woolwich branch to have a chat with our mortgage adviser. Or call us at local rate Monday to Friday 8.30am – 9.00pm, Saturday 9.00am – 3.00pm or Sunday 10.00am – 2.00pm on 0645 75 75 75 quoting ref: H1412.

It's good to be with the WOOLWICH

BUILDING SOCIETY

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

See our leaflet for full details

The rate is variable and the APR is variable and typical. These terms apply only where a written offer of advance was issued on or after 02.12.95 and the mortgage completed by 31.3.1996. Typical example: based on an endowment interest rate of 4.74% 4.9% APR (this represents a discount of 3% off the standard variable mortgage rate, currently 7.74% 8.1% APR) and a purchase price of £43,000, a couple taking out a mortgage of £40,000 over 25 years (from which a Mortgage Indemnity Arrangement Fee of £658.75 will be deducted and where the amount of the advance is 93% of the Society's valuation of the property) would pay interest of £158.00 per month gross (300 payments). Accrued interest £79.00. Valuer's fee £135.00. Solicitor's mortgage charges £100.00. Deeds Administration Fee payable on redemption £50.00 and a single repayment of capital of £40,000. Total amount payable £87,764.00, 4.74% 4.9% APR. The example assumes the mortgage starts in the middle of the month, a minimum guaranteed depth benefit of £40,000 and a term of 25 years for the endowment policy. A first charge over your property will be required as security. For loans other than repayment loans, a suitable endowment policy, PEP or pension plan will also be

required. A suitable level term assurance policy will also be required for PEP or pension plan mortgages. An indemnity policy, for which you will need to pay an arrangement fee, will be required where the mortgage exceeds the Society's normal maximum percentage advance of 75%. If the mortgage is either redeemed (in full or in part) or transferred to another scheme before the fourth anniversary of the date on which interest is first charged in respect of the mortgage, the value of the cashback you have received must be repaid in full and a redemption fee equivalent to the savings made as a result of the discount will be charged. The redemption fee will be subject to a maximum charge equivalent to 6 months' interest calculated at the rate payable at the time of repayment. The cashback may affect personal liability to Capital Gains Tax. All mortgages are subject to status, valuation and a minimum age of 18. A written quotation is available on request from any branch or from Woolwich Building Society Dept IS, Corporate HQ, Watling Street, Beoley Heath, Kent DA6 7RR. The Woolwich Building Society represents only the Woolwich Marketing Group, which is regulated by the Personal Investment Authority for life assurance and unit trust business. CBB

SAVE UP TO £110 ON COOKERS

TECHNELEC CONCEPT ELECTRIC COOKER
Solid hot plates Model ECT/100A
Trade-in price £189.99
Save £80

CREDA CONCEPT STAINLESS STEEL COOKER
Solid hot plates Easy clean liners/Double oven
Programme for both ovens
Trade-in price £829.99
10 MONTHS INTEREST FREE CREDIT
FREE GOOD HOUSEKEEPING
CREDIT CARD
Trade-in price £829.99
Save £70

TECNOSAS GAS COOKER
Exclusive to COMET
Easy to clean front panel
Easy to clean front panel
Voucher Offer 10 Month
Interest Free Credit
Trade-in price £469.99
Save £80

NEW WORLD GAS COOKER
Exclusive to COMET
Easy to clean front panel
Easy to clean front panel
Voucher Offer 10 Month
Interest Free Credit
Trade-in price £469.99
Save £80

SAVE UP TO 50% ON MICROWAVES

DE'LONGHI ELECTRONIC MICROWAVE
1.1L GOLF CAPACITY
Programme
Model CM110
Trade-in price £79.99
Save £60

PANASONIC GOLF MICROWAVE
1.1L GOLF CAPACITY
PROGRAMME
MODEL CM110
TRADE-IN PRICE £159.99
Save £40

PROLINE GOLF MICROWAVE
1.1L GOLF CAPACITY
Programme
Model CM110
Trade-in price £104.99
Save 50%

TRICITY GOLF MICROWAVE
800 WATT 1.0 L GOLF CAPACITY
Programme
Model CM110
Trade-in price £119.99
Save £80

EXCLUSIVE TO COMET

GOLBIN CYLINDER CLEANER
1200 Watt power
1.5 Litre capacity
Model GCB120
Trade-in price £64.99
Save 50%

PANASONIC UPRIGHT CLEANER
1200 WATT
PROGRAMME
MODEL MC1200
Trade-in price £79.99
Save 50%

AS SEEN ON TV

VAX CYLINDER CLEANER
WITH WASH FACILITY
1200 WATT
PROGRAMME
Model VCC1200
Trade-in price £119.99
Save £40

DYSON UPRIGHT CLEANER
1200 WATT
PROGRAMME
MODEL DC01
Buy now pay June 1997
Trade-in price £199.99
Save £80

CHOOSE FROM 100s OF CHRISTMAS GIFTS
INCLUDING BRAUN, PHILIPS, TEFAL, SWAN, KENWOOD & RUSSELL HOBBS

£5 OFF
ANY HAIRCARE PRODUCT OVER £20

£5 OFF
ANY SHAVER OVER £40

SEE THE COMET PRICE INDEX DAILY ON Teletext Ch.4 P.425

BETTER COME TO COMET this Christmas

MOST STORES OPEN SUNDAY & UNTIL 5PM WEEKDAYS.
RING FREE ON 0500 560570

form of
citors
may b
awful

Schools inspector blames failings on 'trendy teachers'

JUDITH JUDD
Education Editor

Trendy teachers, rather than a lack of funds, are to blame for poor standards in schools, Chris Woodhead, Her Majesty's Chief Inspector of Schools, says in a pamphlet published today.

In the paper from the right-wing think-tank Policy, the controversial chief inspector says an extra billion pounds spent on education would not necessarily raise standards.

Don Foster, the Liberal Democrat education spokesman, said Mr Woodhead was "barmy" and accused him of allying himself with the Conservatives. "He is tying himself to the whole time to the failing Tory party. If he thinks a billion pounds spent on early-years education won't help both education and the economy, he must be barmy."

A billion pounds would pay for pre-school education for all three- and four-year-olds. The Liberal Democrats say they would put a penny on income tax to pay for better education.

Labour is also understood to be concerned that Mr Woodhead is advancing partisan political views instead of those of an independent chief inspector.

Mr Woodhead says: "We can make significantly better use of the resources currently allocated to education. Would, however, a decision to find, say, an extra billion for education necessarily cause standards to rise? The answer is that it would not."

His pamphlet attacks Judge Stephen Tumim, the former Chief Inspector of Prisons, who said recently that the fact that prisons were full of "basically uneducated" young men was the fault of under-resourcing and class size.

"He is wrong," says Mr Woodhead. "The problem in general is not the special edu-

cational needs of the child. It is the failure of the teacher to teach." If they did, says standards would rise, huge sums spent on remedial teaching would be saved, and, if Judge Tumim were right, the prison population would be reduced.

Mr Woodhead says the dogma of child-centred learning which has dominated educational thinking since the 1960s is responsible for pupils' poor results. "To imply that the student can (and should) be left to switch on to the world for himself would be thought disingenuous by some; certainly it is misguided."

The drive to improve standards should ignore "the siren half-truths of those who would do away with subject boundaries and any notion of the teacher as an authority".

The pamphlet questions the existence of local authorities because of the "dependency culture" they create. Good schools, it says, are led by confident heads. Does the very existence of the local authority militate against the exercise of such leadership? It asks.

Mr Woodhead acknowledges there is a case for keeping local authorities but asks whether schools might be better served by commercial agencies.

■ *A Question of Standards: finding the balance*, Chris Woodhead, Policy, 28 Charing Cross Road, WC2B 0DB; £5.

**With effect
from the close of
business on
Wednesday 13th
December 1995
and until further
notice, TSB Base
Rate is decreased
from 6.75% p.a.
to 6.5% p.a.**

All facilities (including regulated consumer credit agreements) with a rate of interest linked to TSB Base Rate will be varied accordingly.

**TSB We want you
to say YES**

TSB Bank plc, Victoria House, Victoria Square,
Birmingham B1 18Z.

ANZ Grindlays Base Rate

ANZ Grindlays Bank plc announces that its base rate has changed from 6.75% p.a. to 6.50% p.a. with effect from close of business 13th December 1995.

**ANZ Grindlays Bank
Private Banking**

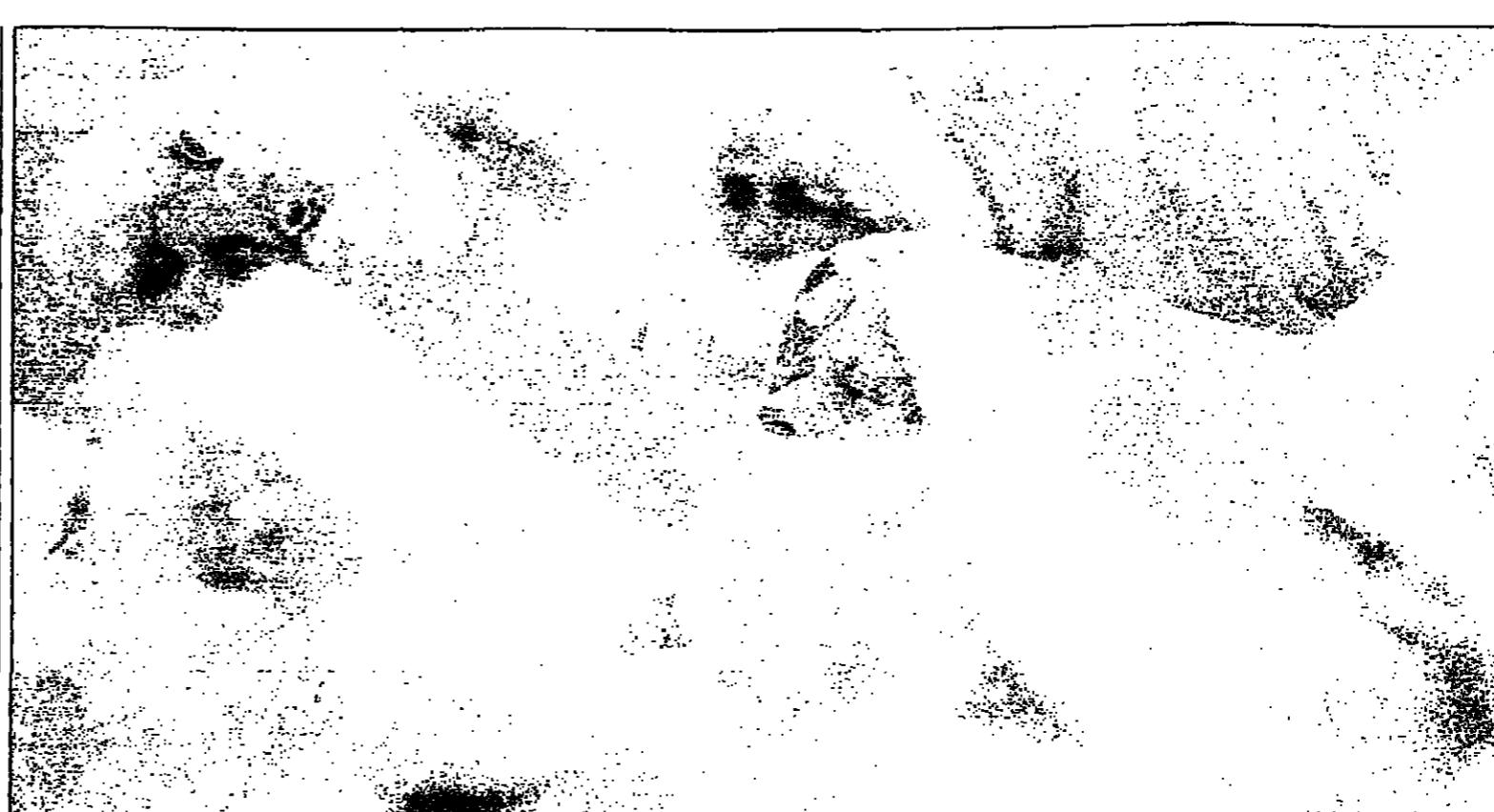
13 St James's Square, London SW1Y 4LF
Telephone: 0171-930 4811
Member ANZ Group

Barclays Base Rate Change.

Barclays Bank PLC and Barclays Bank Trust Company Limited announce that with effect from 13th December 1995, their Base Rate decreased from 6.75% to 6.50%.

BARCLAYS

BARCLAYS BANK PLC AND BARCLAYS BANK TRUST COMPANY LIMITED REGISTERED OFFICE: 54 LOMBARD STREET, EC2P 3AH.
REGISTERED NUMBERS: 202667 AND 920880.



Dress rehearsal: Pupils at Britain's first 'School for Santas' preparing yesterday for the big night

Photograph: Edward Sykes

Sado-masochistic sex 'should be legal'

STEPHEN WARD
Legal Affairs Correspondent

Adults should be given immunity from prosecution for sado-masochistic sexual acts between consenting adults, the Government's legal advisers, the Law Commission, argues today.

A celebrated case, known as Operation Spanner, brought the issue to public attention when the police successfully prosecuted several men for acts of genital torture and violence to the anus, penis, testicles and

nipples, where the victims had all been willing participants.

The House of Lords ruled by three to two that the conviction was correct, and the defendants have appealed to the European Court of Human Rights, which will hear the case next year.

The Law Commissioners became the centre of a furor when a Bill based on their recommendations on Family Homes and Domestic Violence came to the attention of Conservative backbenchers who

feared it undermined family values and had to be dropped. In a virulent campaign, the Daily Mail branded the commission a subversive body which will last until next June.

Partly because of that row,

the commission – made up of expert barristers chaired by a judge – has taken the rare step

of putting the latest issue, of when consent constitutes a defense to a criminal act, to a second period of consultation which will last until next June.

The commission's paper also reviews the law of consent relating to other areas such as ritual circumcision, cosmetic piercing, tattooing, dangerous

sports and martial arts. It recommends that "adults should generally be entitled to make choices for themselves". But it says there should be special rules for the young and the mentally disabled.

□ *Consent and the Criminal Law*. Law Commission Consultation Paper 139. HMSO £21.

Barclays Bank PLC.

Interest Rates for
Business Customers, Charities and Societies
with effect from 13th December 1995.

| ACCOUNT TITLE | GROSS RATE (% P.A.) | *NET RATE (% P.A.) |
|---|---------------------|--------------------|
| BUSINESS PREMIUM ACCOUNT. (Rates also apply to Farmers Premium Account) - Instant access. | | |
| £0 - £499 | 2.625 | 1.969 |
| £500 - £1,099 | 2.625 | 1.969 |
| £2,000 - £24,999 | 3.000 | 2.250 |
| £25,000 - £99,999 | 3.500 | 2.625 |
| £100,000 - £249,999 | 3.750 | 2.813 |
| £250,000 - £1 million | 3.875 | 2.900 |
| HIGH INTEREST BUSINESS ACCOUNT - 14 days' notice. | | |
| £0.00 - £9,999 | 3.625 | 2.719 |
| £10,000 - £24,999 | 4.375 | 3.281 |
| £25,000 - £99,999 | 4.875 | 3.656 |
| £100,000 - £249,999 | 5.125 | 3.844 |
| £250,000 + | 5.250 | 3.938 |
| CLIENT'S PREMIUM ACCOUNT | | |
| £10,000 - £24,999 | 3.750 | 2.813 |
| £25,000 - £99,999 | 4.000 | 3.000 |
| £100,000 - £249,999 | 4.375 | 3.281 |
| £250,000 - £999,999 | 4.500 | 3.375 |
| £1 million + | 4.625 | 3.469 |
| BARCLAYS COMMUNITY ACCOUNT. (An interest bearing current account for clubs, charities, churches and societies.) No minimum balance. Interest paid quarterly. | | |
| £0 - £4,999 | 0.750 | 0.563 |
| £5,000 - £9,999 | 1.250 | 0.938 |
| £10,000 - £24,999 | 1.750 | 1.313 |
| £25,000 + | 2.250 | 1.656 |
| SEVEN DAY DEPOSIT ACCOUNT. (A seven days' notice account.) No minimum balance. Interest paid half-yearly. | | |
| | 0.500 | 0.375 |

*GROSS RATE is the contractual rate of interest payable not taking account of the deduction of income tax at the basic rate.

*NET RATE is the rate which would be payable after allowing for the deduction of income tax at the current basic rate from the gross rate. Basic Rate Tax (BRT) may vary and therefore the net rate is given as an illustration only. BRT will only be deducted in those cases where the Bank is obliged to do so.

Interest rates quoted are subject to variation. For further information on these or any other services please contact your local Barclays branch or Business Centre who will be pleased to help.

BARCLAYS

Barclays Bank PLC, Reg. London, England, Reg. No. 1036167, Reg. Office: 54 Lombard Street, London EC2P 3AH.

Base Rate

Yorkshire Bank announces that with effect from close of business on 13th December 1995

its Base Rate is reduced from

6.75% to 6.50%

Yorkshire Bank
20 Merrion Way, Leeds LS28NZ

NatWest

National Westminster Bank announces that with effect from 13 December 1995 its Base Rate is reduced from 6.75% to 6.5% per annum.

All facilities (including regulated consumer credit agreements) with a rate of interest linked to NatWest Base Rate will be varied accordingly.

National Westminster Bank plc
41 Lombard, London EC2P 2BP

Hill Samuel Base Rate

With effect from the close of business on Wednesday 13th December, 1995 and until further notice, Hill Samuel Bank's Base Rate is

6.50% per annum

All facilities (including regulated consumer credit agreements) with a rate of interest linked to Hill Samuel Bank's Base Rate will be varied accordingly.



HILL SAMUEL
BANK

Hill Samuel Bank Limited
100 Wood Street, London EC2P 2AJ
A Member of The Securities and Futures Authority

8 politics

MPs voice support for 'Ofbus'

CHRISTIAN WOLMAR
Transport Correspondent

An "Ofbus"-style regulator should be appointed to the bus industry to prevent unfair competition and companies being driven out of business by predatory practices, an all-party Commons committee recommended yesterday.

The Transport Select Committee, which has published a report on the deregulation of the bus industry, says there have been more complaints to the Office of Fair Trading about the bus industry than about all other industries put together, a total of 541 between 1987 and the end of 1994.

Yet the OFT is seen as too slow and cumbersome to deal with complaints, since often, by the time it has produced a report, a company has been driven out of business. The committee warned that 20 companies remained within municipal control and these were vulnerable to predatory attacks unless there were new procedures to protect them when they were put up for sale.

The report said some companies "had received threats, direct or implied, to keep out of an area or face being run off the road in a predatory retaliation". More common forms of predatory behaviour were to "swamp an area with buses in order to reduce an incumbent's revenue and to cut fares, or even to charge no fares at all".



Wheels of industry: Deregulation has created a boom for some operators, but often at the expense of others

called Stagecoach's activities "predatory, deplorable and against the public interest"; by then, the municipal bus company had gone bankrupt.

Buses were deregulated outside London by the Transport Act 1985. The committee found that: "The effects of bus deregulation have been very uneven throughout the country."

Since deregulation, three or four big bus groups have grown through acquiring smaller companies around Britain. The committee heard evidence that these big groups were deliberately avoiding competing with each other. The OFT said there was an "apparent reluctance of the major operators to engage in di-

rect competition with other larger companies by invading 'their' territories." However, the large companies had been very aggressive in taking over smaller firms.

The industry body, the CPI, opposed the creation of a regulator, which would "simply add an unnecessary and wasteful layer of bureaucracy".

Speaker joins anger at asylum benefit cut

Speaker Betty Boothroyd may have collected another black mark with her critics on the Tory benches yesterday when she gave extra latitude to protest at the Government's handling of benefit cuts for asylum seekers.

Social Security orders withdrawing benefit from some 13,000 asylum seekers come into effect on 3 January, but the procedures used leave MPs scant chance to debate the move. David Alton, Liberal Democrat MP for Mossley Hill, has written to the Speaker complaining of a "blatant abuse of Parliament".

Normally at least 18 days are allowed between orders being laid before Parliament and their implementation. The orders are expected to go down on Monday, but MPs break for Christmas two days later and do not return until 9 January.

Thousands of refugees will by then have been left penniless. Mr Alton said the burden would fall on charities and local authorities as an estimated 10,000 people were made homeless.

The benefit clampdown is part of the controversial Asylum and Immigration Bill. It is now before a standing committee but it will be weeks before the clauses are considered. Labour MPs Max Maiden and Paul Flynn joined the protests. Parlia-

ment was being treated with "outrageous" contempt.

Replying to the points of order, Miss Boothroyd said she had allowed more than one MP to speak because of the seriousness of the situation. The chair could not interfere with the Government's use of its order-making power, she said, but then added: "I hope the strong

bearing on people's eligibility to serve their country—a view hotly contested by service chiefs. Intervening on Nicholas Soames, the armed forces minister, he asked: "Will you accept that homosexuals are just as likely as anybody else to be highly competent and professional members of the armed services and that their sexuality should have no bearing on their eligibility to serve their country, and will you legislate to that effect?"

Usually robust in his view that homosexuality is incompatible with service life, Mr Soames said the committee on the Bill would be able to debate the issue.

Overtime is the new "British disease", Denis MacShane, Labour MP for Rotherham, said as he initiated a short debate on the impact of work on family life.

The father of four said that last year nearly 69 million hours of overtime were worked weekly in Britain, equivalent to nearly two million jobs. Calling for a "family and work law" to ban excessive working hours, he said: "Today we find we have time for nothing except to slave for the re-exalted god of Mammon, which the Conservatives have set above us, where the making of money is far more important than the making of a family or a community."

Inside Parliament

Stephen Goodwin

expressions which have been made in this House will have been noted by those on the Treasury front bench.

In Speaker language it was a clear message of disapproval.

A plea for a lifting of the ban on homosexuals serving in the armed forces was made by Alan Howarth, the Stratford-upon-Avon MP who defected from Tory to Labour in October.

As MPs debated the Armed Forces Bill, renewing the forces' discipline Acts, Mr Howarth said sexuality should have no

NI arms group starts work

DAVID MCKITTRICK,
Ireland Correspondent

The first track of the twin-track approach in the Northern Ireland peace process is to be launched tomorrow when the international body on decommissioning begins work in Belfast.

The establishment of the three-man body, headed by senior American politician George Mitchell, was announced at a recent Anglo-Irish summit by the British and Irish governments.

Its task is to prepare a report by mid-January on the question of paramilitary arms; in the meantime the second track will open shortly as the two governments hold preliminary

discussions aimed at opening all-party talks by the end of February.

The Northern Ireland Secretary, Sir Patrick Mayhew, is expected to outline the British government's position to Mr Mitchell and his two associates, a Canadian and a Finn, tomorrow.

There is keen interest in whether the international body will be able to find some way of reconciling the IRA's flat refusal to hand over any guns at this stage with the Government's insistence that some arms should be decommissioned before Sinn Fein can enter talks.

The international body will be hearing from the political parties and "other relevant persons" over two days. On Sunday its members are to move on to Dublin where they will meet representatives of the Irish government and others.

In Dublin they are also expected to meet Sinn Fein. Last week the IRA put down a marker that its position had not changed by announcing: "There is no question of the IRA meeting the ludicrous demand for a surrender of IRA weapons either through the front or the back door."

Meanwhile, a busy round of political talks over the next 10 days is expected to include a number of inter-party meetings and visits to Belfast and Dublin by the Prime Minister, John Major.



Mayhew: Set to outline Government's position

Win the best seats in the house with the INDEPENDENT

Today, a box for The Wind in the Willows

If you fancy a trip to the theatre, we would like to offer you the best seats in the house. All this week we are giving you the chance to win top class tickets to shows ranging from opera to ballet to drama.

Today you could win a box at The Old Vic for The Wind in the Willows. Alan Bennett's ingenious adaptation of the Kenneth Grahame classic, Rat, Mole and Toad are joined by squirrels, hedgehogs and scheming weasels as they tour the open road, explore the Wild Wood and laze by The Riverbank.

With stunning costumes, a dazzling script and infectious music, The Wind in the Willows is that rare beast: a show for all the family.

The prizewinner's performance takes place at the The Old Vic on Wednesday 27 December, 1995, at 7.30 pm. To be in with a chance of winning a box for a total of five people, simply answer the following question.

Question: What is the name of Toad's stately residence?

Then call:

0891 325530

and leave your answer, name, address and daytime telephone number. The winner will be chosen at random from all correct answers received after the closing date of midnight Friday 15 December.

Your call will last no longer than a minute. Calls cost 39p per minute cheap rate and 49p per minute at all other times. Normal Newspaper Publishing rules apply, the Editor's decision is final. There is no cash alternative. Sorry, this competition is not open to readers in the Republic of Ireland.

For further details of this show, please call the booking office on 0171 928 6655.



Tomorrow, Win tickets for Swan Lake

It's a gift!

UP TO 25% OFF

4 DAYS ONLY

THURSDAY TO SUNDAY

14th-17th DECEMBER

Seasonal savings throughout the store

10% ALL TOYS

25% OFF ALL Debenhams silk ties

25% OFF ALL Debenhams co-ordinated shirt and tie sets

20% OFF ALL Debenhams Christmas decorations, cards, Christmas crackers and Debenhams gift foods

10% OFF ALL Debenhams ladies knitwear

10% OFF ALL Debenhams, J. Taylor and Tula leather handbags

10% OFF ALL Debenhams & Jon Richard costume jewellery

10% OFF ALL Gossard ladies co-ordinated underwear

10% OFF ALL Men's and ladies Levi's, Wrangler, Lee, Pepe and Easy jeans

OPEN A DEBENHAMS ACCOUNT AND SAVE 10% IMMEDIATELY

Open a Debenhams account* in store and save 10% off selected items for one week. See instore for details.

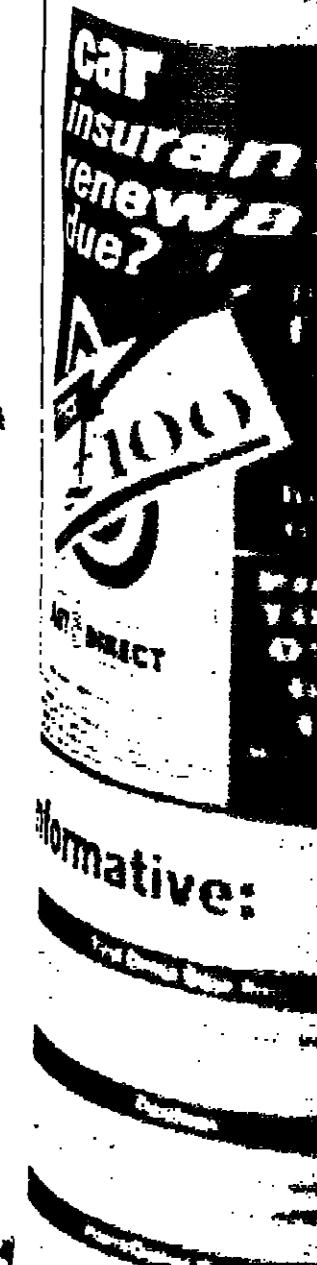
*Account opening is subject to status. Full written details of the Debenhams account are available upon request.

No purchase necessary. See instore for details. (This offer cannot be used in conjunction with any other discount offer or voucher promotion).

Most offers available at most Debenhams stores including Browns of Chester. Stock subject to availability.

DEBENHAMS

At Christmas
THE DIFFERENCE IS
DEBENHAMS



politics

Sanger
nefit cu

Arms firm gossip was of weapons for Iran

CHRIS BLACKHURST
Westminster Correspondent

Shopfloor staff at BMARC, the company where the MP Jonathan Aitken was once a non-executive director, gossiped that weapons shipped to Singapore were really bound for Iran, an influential group of MPs was told yesterday.

Mr Aitken has strenuously denied he was ever aware Iran was the true destination.

William McNaught, the company's former managing director, said in answer to the Commons Trade and Industry Select Committee inquiry into how naval guns made by BMARC were sent to Iran in defiance of an arms embargo, that it was "shop-floor gossip" the guns were going to Iran.

Mr McNaught also admitted that he had had doubts that the 140 guns, under a deal known as project Lisi, were not intended for Singapore. In a statement, he told the MPs: "It was understood within BMARC that the quantity of weapons involved in project Lisi was far in excess of Singapore's national needs and that they would be exporting the majority of their products."

Despite that, Mr McNaught said he was never aware that the Lisi guns might be destined for Iran. He maintained no information from a government department - Foreign Office, Department of Trade and Industry, Ministry of Defence or the intelligence services - saying the Lisi guns were going to Iran had ever reached him. This was despite an intelligence report linking the BMARC

weapons with Iran having been sent to the MoD and Mr McNaught receiving briefings from the security services. These briefings, he said, did not cover Lisi.

Roger Berry, MP, said he failed to understand how Mr McNaught could run a company selling equipment to Singapore, doubting that was their real destination and yet fail to investigate where they were actually going. "You can get paranoid over these things," said Mr McNaught.

As for the shop-floor gossip, he assumed that had stemmed from workers seeing photographs of the guns in Iran in defence magazines.

Earlier, MPs quizzed Gerald James, former BMARC director and chairman of its parent company, Astra Holdings. Mr James stuck to his oft-repeated charge that BMARC directors did know that the guns were bound for Iran and that Mr Aitken was present at board meetings when the Lisi contract was discussed.

Asked how he knew directors were aware Iran was the real end-user, he replied: "It was common knowledge. It was quite openly discussed."

Mr James stressed he relied entirely upon the assurances of Major-General Donald Isles, a fellow BMARC director with close MoD connections, that the Government was aware of and had approved, the sending of the naval cannons to Iran.

Mr James said he could offer no documentary evidence to back-up his claims since his papers had been seized by MoD police and not returned.

Student loans staff face curb on perks

The head of the Student Loans company had his contract renewed for a further five years after allegations of financial impropriety were made against him. MPs were told last night, writes Fran Abrams.

Claims against Ron Harrison, its chief executive, were made in October 1992, more than two years before he was sacked for financial misdealing. Mr Harrison faced the claims that he missued expenses and that he took his wife and secretary out at the company's expense.

An investigation in 1992 dismissed allegations made in

anonymous letters, but in January 1994, a further report by Coopers & Lybrand proved some of the claims to be true.

Now staff perks such as private medical insurance, company cars and petrol allowances, have been withdrawn from new staff, the Commons Public Accounts Committee heard.

An ombudsman who was paid £8,000 per year but who only received one student's complaint in four years, is to be replaced on a smaller fee. The company could also cease to be a private concern and become a government department.

**car
insurance
renewal
due?**

Here's £100
that says we can beat it today.

PHONE TODAY
0990 600 100

MON-FRI 9AM-8PM
SAT 9AM-4PM
only if you're required
within 3 weeks

AUTODIRECT
A sister company of Allstate Insurance Company Ltd.

You're right on target for the cheapest quote.
AUTODIRECT

* Your renewal in one vehicle & one household & you'll receive a £100 cashback. Offer ends 31/12/95. Excludes motorcyclists, drivers aged 17-21, drivers of vehicles over 3.5 tonnes and drivers of vehicles with a G.W.V. of over 3.5 tonnes.

informative:

First Direct Base Rate

With effect from 13 December, 1995 First Direct Base Rate has been reduced by 0.25% to 6.50%

Flexiloan

With effect from 14 December 1995, the Flexiloan rate has been reduced by 0.60% to 18.30% p.a. (APR 19.9%)

HomeOwner Reserve

With effect from 14 December 1995, the HomeOwner Reserve rate has been reduced by 0.25% to 12.75% p.a. (APR 13.3%)

VISA

With effect from 2 January 96, our Visa rates are:

| | | |
|-----------------------------------|----------------------------|-------------------------------|
| Interest | Typical APR (purchased) | Typical APR (cash advance) |
| 1.53%/month (previously 1.55%) | 19.9% | 22.1% |

First Direct is a division of Midland Bank plc Member HSBC Group

Euro-time debate: Government scuppers bid to bring Britain in line with continental hours



Light relief: Farmers in the Highlands will be able to have extra daylight

Photograph: Colin McPherson

Scots win day over daylight

The Cabinet yesterday bowed to strong Scottish opposition by deciding to withhold government backing from a Private Member's Bill seeking to give the United Kingdom an extra hour of afternoon daylight, writes Donald Macintyre.

In a severe blow to John Butterfill, the Bournemouth West Tory MP who yesterday introduced the Bill, the Cabinet agreed yesterday not to give the Bill the extra government time it would almost certainly need to become law. The Bill will be taken on a free vote but now looks increasingly doomed.

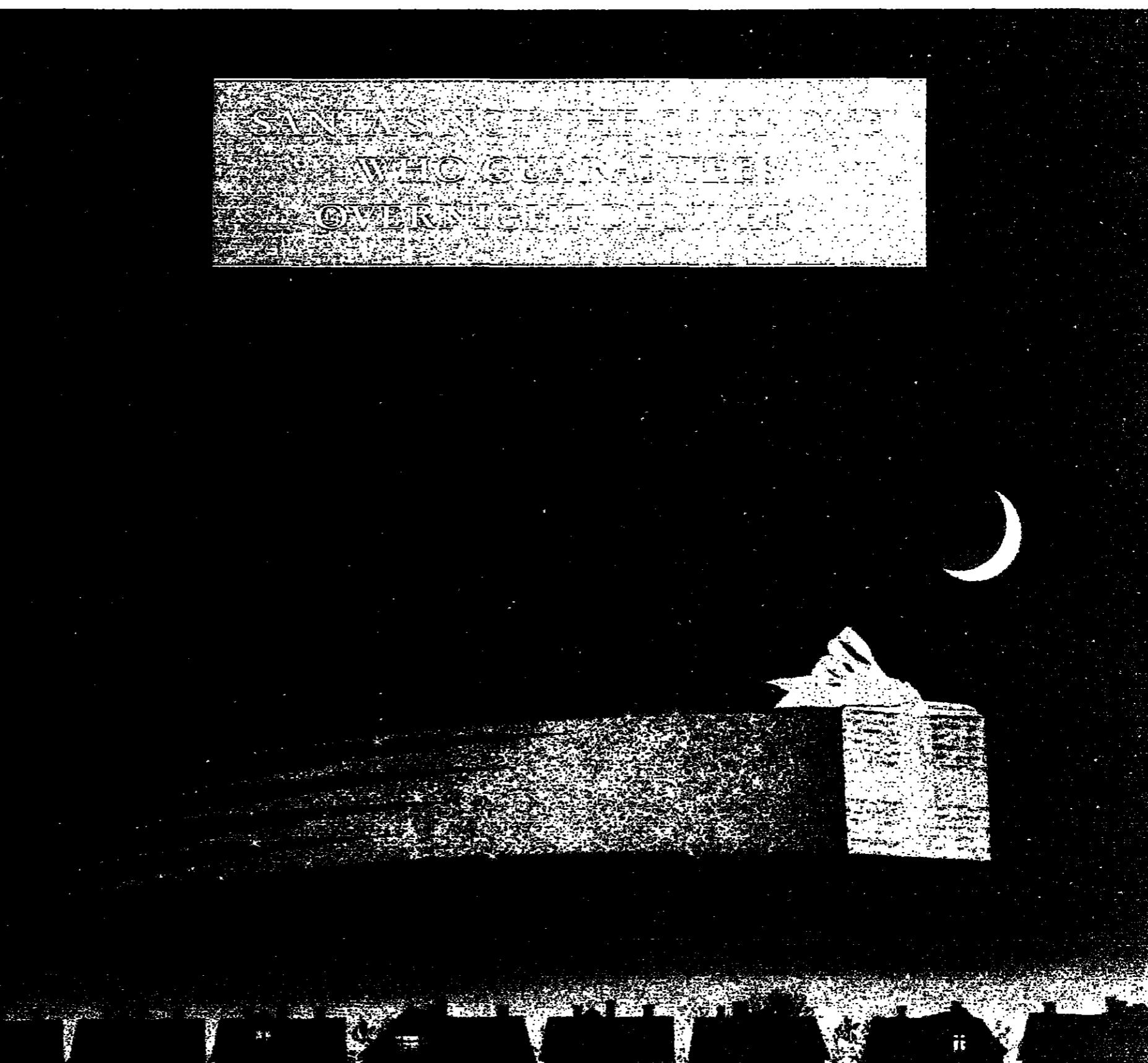
Scottish hostility was based on the fact that it would have meant an extra hour of morning darkness in the winter which has a particularly adverse impact on adults going to work and children going to school, especially in the North. There was also opposition in Northern Ireland.

The decision amounts to a

victory for Michael Forsyth, the Secretary of State for Scotland, who had lobbied hard against a powerful coalition of Cabinet opinion in favour of bringing the UK into line with European time. He understood to have had the backing of both Malcolm Rifkind and Ian Lang, both of whom have Scottish constituencies.

Other ministers - including, it is believed, Kenneth Clarke, the Chancellor, and Michael Heseltine, the Deputy Prime Minister, and Michael Howard, the Home Secretary - were strongly in favour.

The decision illustrates the increasing sensitivity of Scotland as a political issue for the Government. An alternative proposal - that Scotland should be kept on a separate time zone - was also strongly opposed by Mr Forsyth on the grounds that it could be seen as undermining the Government's commitment to the Union.



Royal Mail's SPECIAL DELIVERY and REGISTERED services guarantee overnight delivery from just £2.95. And we deliver all year round, not just on one night.

Both Special Delivery and Registered will ensure your packages arrive by 12.30pm the next working day, virtually anywhere in the UK. However, if you're sending something valuable, Registered gives your items extra security and the added reassurance

of up to £500 compensation in the very unlikely event your package is lost or damaged.

So if you want to guarantee a happy Christmas, talk to Royal Mail about Special Delivery and Registered on 0800 25 0800, or fill in the coupon.

Name _____

Job title _____

Company _____

Address _____

Postcode _____

Tel. _____

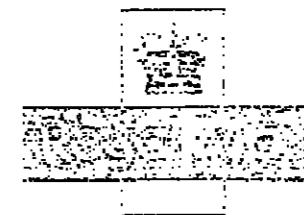
Return coupon to:

ROYAL MAIL,

FREEPOST,

BASILDON,

SS15 4BR.



202

international

China dissident trial: Pro-democracy activist stands firm as Peking court hands down 14-year sentence for sedition



Cold front: Police forming a cordon to keep Western journalists away from the court where Wei Jingsheng stood trial

Photograph: Reuter

Tough sentence for defiant Wei

TERESA POOLE
Peking

For 20 minutes yesterday, inside a heavily guarded Peking courtroom, China's leading pro-democracy dissident, Wei Jingsheng, rejected the charge that he had conspired "to subvert the Chinese government". But it took the three judges less than five hours to convict Mr Wei and sentence him to 14 years' imprisonment, after prosecution evidence that he had invested in a Chinese credit co-operative, planned art exhibitions and published articles in an attempt to "overthrow the dictatorship of the people and split the country".

Mr Wei's brother and sister were allowed to attend the proceedings but guards prevented the defendant from speaking to them. Since his detention on 1 April 1994, Mr Wei's family had been unable to establish his whereabouts. Wei Xiaotao said his 46-year-old brother looked thinner, but had waved and

smiled in court. But the trial had to be suspended for nearly half an hour, he added, when the defendant suffered an attack of high blood pressure, information that will raise fears about the state of Mr Wei's health. No film footage was broadcast on the main evening television news' announcement of Mr Wei's "crimes", but photographs released by the government news agency showed an expressionless figure sitting in a chair in the courtroom.

Mr Wei denied the accusations in a vigorous 10-point defence, delivered seated, in which he said "all my activities respected the Chinese law". His two lawyers argued that evidence had been extracted from old letters and articles, and been quoted out of context. In what must have been extremely painful for Mr Wei, the only prosecution witness was his former close assistant, Tong Yu, who was sentenced last year without trial to two-and-a-half years "re-education through labour". She was certainly put under immense pressure to testify.

The harsh sentence will act as a reminder to Chinese people that the government still refuses to tolerate any pressure for political change. Mr Wei is the most prominent symbol of China's stifled pro-democracy movement. He was a leading figure in the Democracy Wall protests of the late Seventies and in 1979 was sentenced to 15 years after demanding a "Fifth Modernisation" — democracy. When he was released on parole in September 1993 as part of China's campaign to win the 2000 Olympics for Peking, Mr Wei immediately resumed his calls for political reform and greater human rights, as well as trying to raise money for the families of those killed in the Tiananmen Square massacre of June 1989.

International condemnation of Mr Wei's sentence was swift yesterday. A British embassy official expressed "shock and dismay". The US, Germany and Australia were among other countries to protest against the verdict. Analysts in Peking commented that the trial has coincided with renewed rumours about the health of China's 91-year-old patriarch, Deng Xiaoping, and that Mr Wei's conviction has confirmed the tough line on dissidents ahead of the transitional period.

With Peking blanketed by the first snow of winter, the No 1 Intermediate People's Court was ringed by soldiers and plainclothes public security officials from early morning yesterday. Despite earlier government assertions that the trial would be "open", foreign

reporters and onlookers were barred from getting close to the court compound, and only hand-picked Chinese were allowed to observe proceedings.

The Chinese government case against Mr Wei included extraordinary accusations about the dissident's alleged fund-raising activities. In court, prosecutors charged that he had purchased a 12 per cent stake in a Chinese credit co-operative as part of plans to create a funding institution for pro-democracy activities. Further money "for his subversive cause" was to be raised through art exhibitions. According to Chinese state television, Mr Wei had also published articles in the foreign media attacking the Chinese government, asked foreigners for "hundreds of thousands of dollars", and consort with other dissidents while out on parole, including Wang Dan, one of the June 1989 student leaders. "He exchanged signals with anti-China organisations abroad to overthrow the dictatorship of the people and split the country," the prosecutors said.

Mr Wei gave a very different interpretation of events. He said that his efforts to raise money to help Tiananmen mas-



Wei Jingsheng: concern over state of his health

sacre victims had been "from a humanitarian point of view and was not subversive", according to his brother's report of the trial. As for his articles, Mr Wei was reported to have said: "My articles were faxed abroad with the government's permission and cannot serve as proof of the crimes of which I am accused."

During his six months of freedom between September 1993 and April 1994, Mr Wei was adamant that he would never leave China, even though other dissidents have in recent years been granted asylum abroad.

In sentencing Mr Wei, the judges also stripped him of his political rights for three years, a common procedure with Chinese dissidents and one which can create problems for the families.

Words are cheap in Hong Kong newspaper war

STEPHEN VINES
Hong Kong

Not only are Hong Kong newspaper publishers prepared to earn nothing from selling their papers, one publisher is actually paying vendors to sell them.

The newspaper price war that brought about this crazy state of affairs broke out in earnest at the weekend but has its roots in the June launch of the brash and innovative *Apple Daily*. Along among the mass circulation dailies, it says it will stand up to bullying from China and now claims to be outselling all other papers in the colony.

On Saturday the established market leader, the *Oriental Daily News*, announced it was slashing its price from HK\$5 (4p) to HK\$2 (1.5p); it was quickly followed by all the other mass-circulation papers, with one exception. However, the *Hong Kong Daily News* went a step further and dropped its price to a mere HK\$0.75. Previously all newspaper prices were controlled at the same level by an informal cartel. At this price the *Daily News* is having to pay vendors HK\$0.75 for every copy sold.

The Oriental Press Group, publisher of the *Oriental Daily News*, says it started the price war "to reward readers on our 28th anniversary". This version is not accepted by a senior executive at *Sing Tao* newspaper, who said his paper was forced into price-cutting after the *Oriental Daily News* launched the price war because it can no longer tolerate the

threat posed by *Apple Daily*. "They want to retain their market leadership," he said.

Apple has responded by knocking just HK\$1 off its HK\$5 cover price, promising to freeze it at that level until 1997, "unless the situation gets much worse", said Loh Chan, the paper's editor.

His paper is a mixture of sex and crime stories, alongside hard-hitting political commentary and some of the best news reporting in Hong Kong.

The paper's publisher is Jimmy Lai, the former retail clothing tycoon. He has been one of the Chinese government's least favourite publishers since he wrote a blunt, insulting article about the Chinese Prime Minister, Li Peng.

China's dislike of the new paper was signalled as soon as it was published and *Apple* reporters were banned from covering a meeting of Hong Kong policy advisers in Peking.

The paper has proved there is a strong market for a publication prepared to consistently criticise both China and Chinese officials. The extent of its popularity has led to rumours that China will close *Apple* after it resumes sovereignty over Hong Kong in 1997.

Meanwhile, the price war is sending the shares of newspaper companies through the floor. Ken McKenzie, publisher of local trade magazine *Media*, said: "I just don't think a price war at a time of rising newsprint prices makes sense for a prudent business, but there's a lot of pessimism in newspapers."

> FlexAccount

It's time to abandon your bank. FlexAccount is the alternative:

1. You treat every branch as your local branch.
2. Interest — the more your balance, the better the rate.
3. Overdraft — no fees to use it, no charges to set it up, no fuss.
4. Overdraft interest — almost certainly lower than the rate you have now.
5. Payment card — £100 cheque guarantee, debit and cash card in one.
6. 24 hour worldwide access.

Call 0800 33 55 99 (quote ref FA04) or visit a Nationwide branch. You lost interest in your bank a long time ago. Now make it official.

Nationwide THE 'BUILDING' SOCIETY

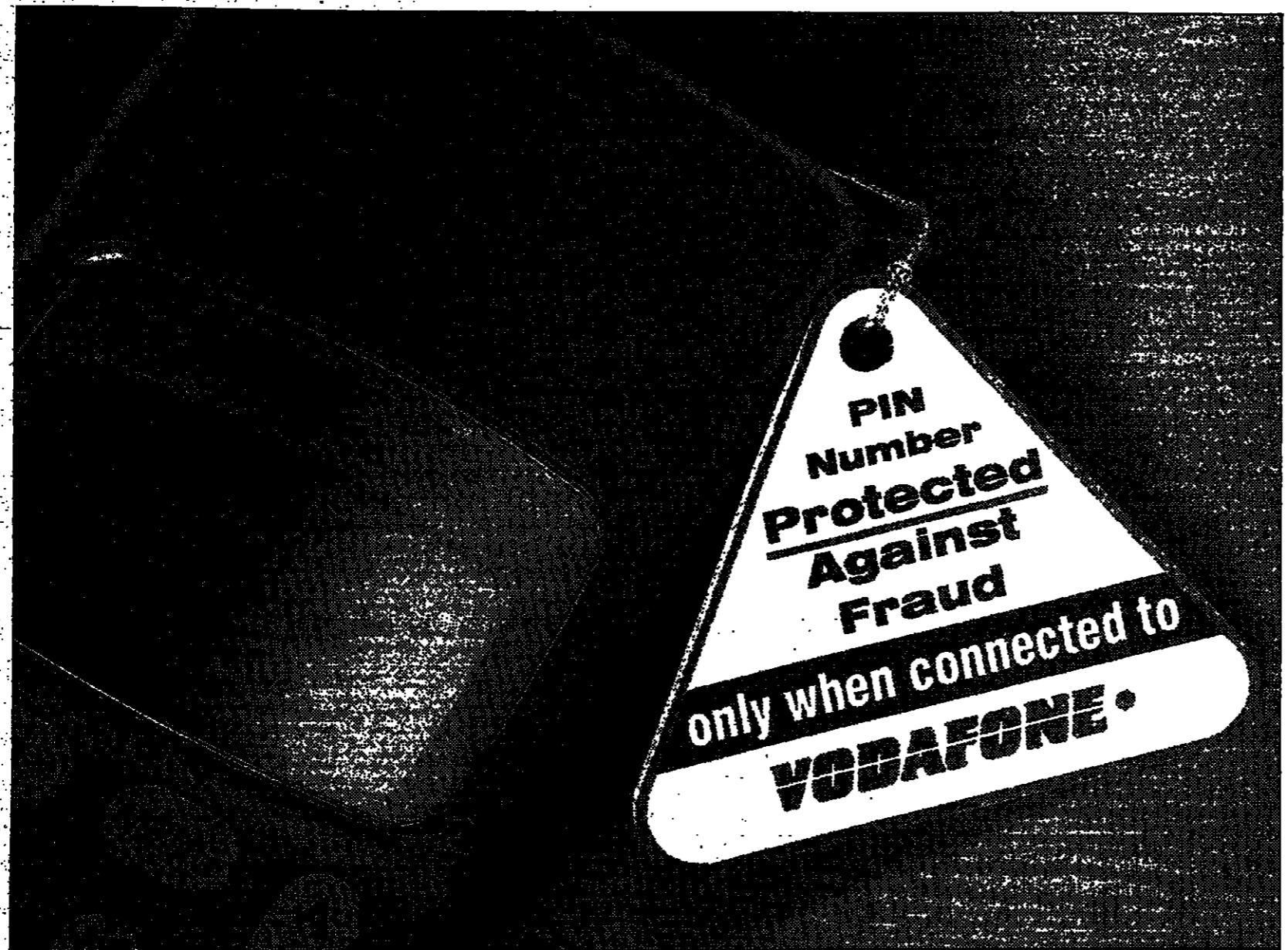
Find us on the Internet at <http://www.nationwide.co.uk/nationwide>

Applicants must be over 16. The opening of a FlexAccount is subject to status. Payment Cards, cheque guarantee cards and overdrafts are only available to those over 18 and are subject to an appraisal of an applicant's financial standing. All references to overdrafts relate to ours with prior agreement. Written quotations are available on request. Nationwide Building Society. Nationwide House, Pipew Way, Swindon, SN3 1NW. Nationwide is a member of the Building Societies Ombudsman Scheme and subscribes to the Code of Banking Practice.

150

لهم لا إله إلا أنت

Comfort.



Before you buy a mobile phone this Christmas, remember...

Vodafone has the only analogue network in the UK that can offer you protection against fraudulent usage.

Our ingenious system makes it impossible for fraudsters to run up calls on your bill. Only Vodafone can give you this comfort.

And joy.



And what's more, buy a Vodafone during December and get a big cheque back on your calls.

Every connection to Vodafone's LowCall or Digital services qualifies for a healthy rebate on call charges.

For full details ask your mobile phone specialist or high street retailer. This offer must end on December 31st 1995, so hurry.

VODAFONE •

NOBODY GOES FURTHER TO KEEP
YOU IN TOUCH.

Fear of future wars hangs over treaty

TONY BARBER
Paris

Europe's most violent conflict since the Second World War will be officially declared at an end today when a peace treaty for Bosnia-Herzegovina is signed at the Elysée Palace. In an effort to consolidate the settlement, foreign ministers of Serbia, Croatia and Bosnia met outside Paris yesterday to discuss mutual diplomatic recognition.

Such a step would in theory increase chances of a lasting peace, as it would indicate that Serbia and Croatia had abandoned the idea of carving up Bosnia between them. However, as delegations from Europe, North America and the Islamic world arrived, the mood was one less of self-congratulation than of misgivings.

The settlements, reached after three weeks of US-brokered talks last month in Dayton, Ohio, represent a compromise between the ambitions of Bosnia's Muslim-led government, the Bosnian Croats and the Bosnian Serbs. In accordance with the government's wishes and those of the world at large, the settlement preserves Bosnia as an independent state in its pre-war frontiers but it weakens the application of this principle by of-

ficially dividing the country into a Muslim-Croat federation and a Bosnian Serb republic.

To make the peace a reality, a 60,000-strong Nato-led force, including troops from Russia and about 10 other non-Nato countries, will be deployed in Bosnia, probably starting on Monday. Britain is contributing 13,000 troops, the United States 20,000, and France about 10,000.

Nato governments say their forces will remain in Bosnia no longer than a year, during which time the aim is to forge a comprehensive arms-control regime for the former Yugoslavia, put together an economic-reconstruction programme, help two million refugees return home and arrange free elections in Bosnia.

President Slobodan Milošević of Serbia, Franjo Tuđman of Croatia and Alija Izetbegović of

Sarajevo Serbs reject Dayton deal

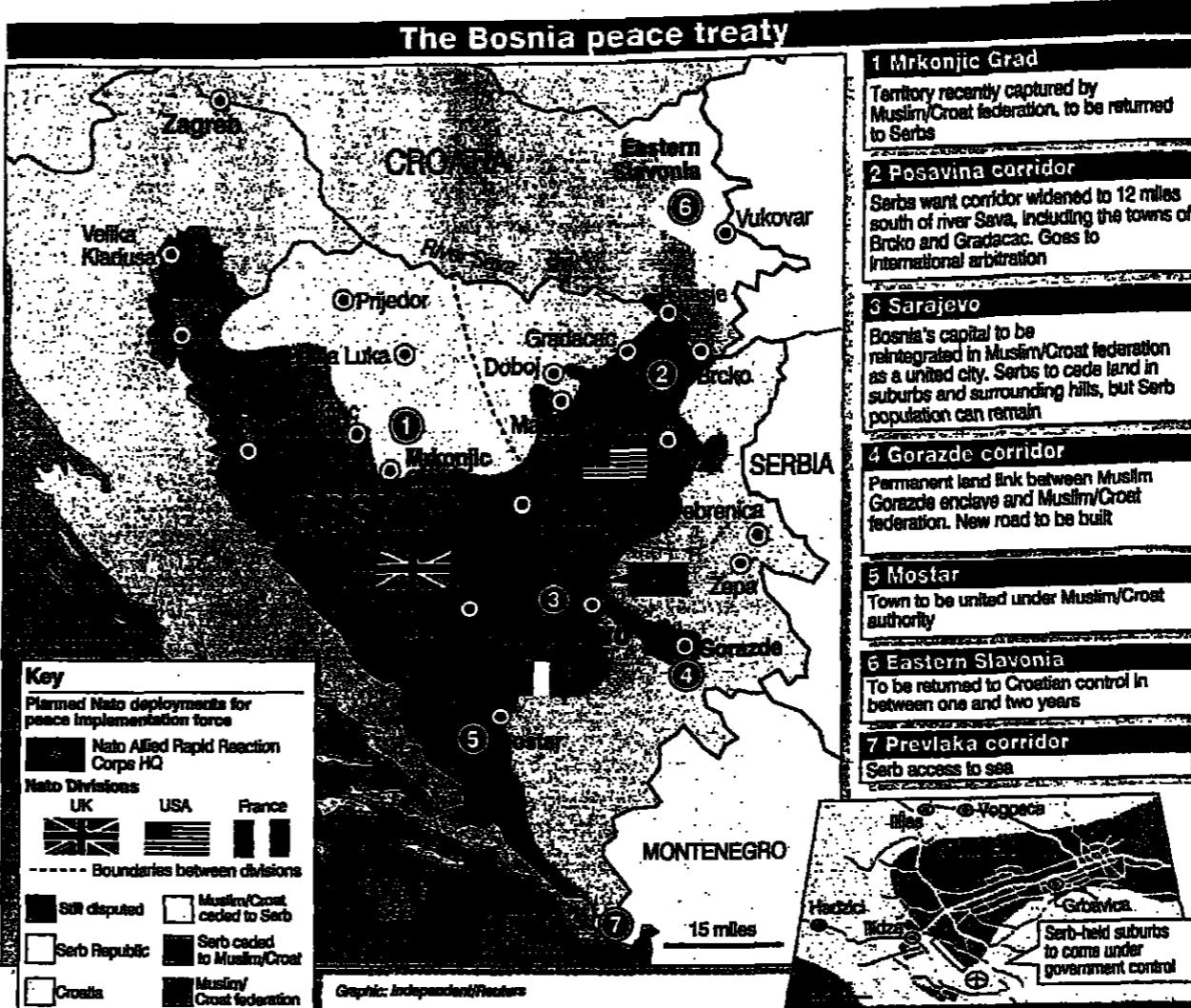
Sarajevo — The Bosnian Serbs' referendum on the Dayton provision for the return to government control of Serb-held areas of Sarajevo produced the expected result yesterday of a 99 per cent vote against the deal, according to the Bosnian Serb news agency, writes Emma Daly. It claimed a 91 per cent turn-out in "Serb Sarajevo" of 778,149 people, despite UN estimates that only 75,000 live in the area. Fears were expressed for the future under the control of those the Serbs had shelled for nearly four years.

Bosnia will sign the treaty knowing that several of the most explosive disputes dividing them since 1991, when the Yugoslav wars broke out, remain unsettled. For Mr Milošević, a particularly difficult issue is eastern Slavonia, an enclave of Croatia bordering Serbia which was seized by Serb rebels backed by the Belgrade-led Yugoslav army in 1991.

Under a deal done on the sidelines of the Dayton accord, Croatia is to regain control of eastern Slavonia in a maximum of two years. But it remains in question whether the Croatian government is willing to grant genuine autonomy to the Serbs of the region, or whether it is bidding its time until it can expel the Serbs by force, as it did last May and August to the Serb communities of western Slavonia and the Knin Krajina. The Serbs of eastern Slavonia are

showing every sign of resisting the return of Croat and other non-Serb refugees driven out since 1991. Their objective seems to be the maintenance of the artificial Serb majority created in the region over the past four years, so that eastern Slavonia remains under de facto Serb control with the closest possible ties to Serbia proper.

In Bosnia, a main point of disagreement is the Brčko corridor, connecting Bosnian Serb pos-



Graphic: Independent/Reuters

jevo should not abandon their homes for the 49 per cent of Bosnia allocated to the Bosnian Serb Republic. The difficulty in restoring even a modicum of trust has been demonstrated in the Muslim-Croat federation,

where the southern city of Mostar remains divided into two sectors two years after Muslims and Croats stopped fighting. Many Muslims are unconvinced Croats in western Herzegovina have given up hope of uniting their land with Croatia. It is equally clear that Bosnian Serb leaders view the accord as temporary, to be replaced one day by unification of all Serb lands. Radovan Karadžić and Ratko Mladić may never stand trial in a UN court for alleged war crimes but even if they stepped down, their replacements are more likely to seek closer relations with Serbia than to rebuild Bosnia in co-operation with the Muslims and Croats.

IN BRIEF

San Francisco to get its first black mayor

San Francisco — Willie Brown, the powerful former Speaker of the California Assembly, easily defeated the incumbent, Frank Jordan, in a run-off election and will become the city's first black mayor next month. In Chicago, Jesse Jackson Jr., 30-year-old son of the civil rights leader, celebrated a landslide victory over his Republican opponent, the lawyer Thomas Somer, in an election to the House of Representatives.

Bones unearthed at Che Guevara site

La Paz — Searchers found human bones and a skull near the site in Bolivia where the guerrilla leader Che Guevara is believed to be buried, but will take at least a week to identify the remains. The government ordered the dig after two retired army generals involved in Guevara's capture and burial disclosed last month that the guerrilla leader and some of his followers were buried under an airstrip in southern Bolivia.

BBC newsman shot dead in Tajikistan

Moscow — A 50-year-old Tajik journalist, Molyeddin Alempour, who reported for the BBC's Persian Service from Dushanbe, the Tajikistan capital, has been shot dead outside a city park. Nearly 40 journalists have been killed in the former Soviet republic since 1992.

Papandreou fights off his fever

Athens — The 76-year-old Greek Prime Minister, Andreas Papandreou, was in stable condition fighting an infection with antibiotics and breathing without the help of a respirator, a hospital bulletin announced. He was still undergoing dialysis for his failing kidneys, but no longer had a fever.

Swiss release Mexican drugs suspect

Berne — The Swiss authorities have released Antonio Castanón, one of two suspects held in a drugs and money-laundering case allegedly linked to the former Mexican President, Carlos Salinas de Gortari. He is the brother of Mr Salinas's sister-in-law Paula, who was arrested with him and remains in custody.

NEW YEAR OFFERS

FLORENCE £354

Time Off
28 December - 4 nights in central ★★ Panorama Hotel, B&B. Flights from Gatwick.

MADRID £189

£324 Time Off
30 December - 2 nights in central ★★ Cífer Hotel, B&B. Flights from Gatwick.

BARCELONA £275

£367 Time Off
30 December - 2 nights in central ★★★★ Gran Hotel Havana, B&B. Flights from Heathrow.

EUROPEAN OFFERS

PARIS £176

£129 Eurostar Sovereign
Any day on my train
2 nights in centrally located ★★ Grand Hotel de Paris, en suite bathroom. B&B. Includes travel by Eurostar. Extra nights £22 per night.

PRAGUE £243

£227 Time Off
2 nights in central ★★ Hotel Julian, en suite bathroom, B&B. Flights from Heathrow. Extra nights from £19. Depart particular Sundays and have third night free.

BRUGES FROM £89 - 2 NTS - Self drive

AMSTERDAM FROM £145 - 2 NTS ★★★

ROME FROM £214 - 2 NTS ★★★

CATALUNYA FROM £189 - 2 NTS ★★★

MADRID FROM £189 - 2 NTS ★★★

VENICE FROM £219 - 2 NTS ★★★

FLORENCE FROM £232 - 2 NTS ★★★★★

All prices include all airport taxes. Prices P.P. based upon 2 sharing a room. Single room supplements may apply. ALL OFFERS SUBJECT TO AVAILABILITY

For reservations phone Mon to Fri 09.00 to 18.00: 081-960 9066

CITY TRAVELLER DIRECT LTD

4 Euston St, London W10 6BD

OVER 1000 PERIPHERALS

MODEM NEW

US ROBOTICS VOICE ENABLED

v.23bis Fax Modem. Complete communications solution. Fax, phone, data & voice-mail. Cables and software included.

£99 EX VAT

CD-ROM DRIVE NEW

CREATIVE LABS DUAL SPEED

Internal CD-ROM Drive

Dual Speed

fully motorised tray

£42.50 EX VAT

HARD DRIVES FROM

MAXTOR HARD DRIVES

850Mb

1.2Gb

1.6Gb

All with FREE Demos Book

£159 EX VAT

MODEM

MOTOROLA INTERNET SOLUTION

v.34bis Fax Modem

Includes installation software and cables. Also includes INTERNET trial software.

Was £159 ex VAT

£179 EX VAT

ZIPDRIVE NEW

IOMEGA ZIPDRIVE

100Mb external floppy drive system.

Speed of a hard drive.

Ideal for backup or transferring massive amounts of data.

£179 EX VAT

MULTIMEDIA HOME KIT NEW

CREATIVE LABS CD KIT

Quad Speed Internal CD-ROM

drive 16 Bit stereo soundcard with advanced signal processing.

Also includes Microsoft CD-ROM titles.

£299 EX VAT

SCANNER NEW

LOGITECH COLOURPAGE SCANNER

24 Bit colour scanner. Up to 400 dpi per inch resolution.

Can scan up to 6 pages per minute.

Xerox perfect scan technology.

£349 EX VAT

KEYBOARD WIN 95

MICROSOFT NATURAL

Windows 95 Compatible Keyboard.

Revolutionary 'split' keys design.

Includes Windows 95 shortcut keys.

£59.99 EX VAT

OVER 1200 SOFTWARE TITLES

GRAPHICS SAVE OVER £150

COREL VENTURA PUBLISHER v5

The ultimate desktop publishing solution from Corel available at an astonishingly low price.

Was £199

£42 EX VAT

ENCARTA '96 NEW

Microsoft's new fully Anglised 1996 version of the complete 28 volume encyclopedia on one CD-ROM.

£42 EX VAT

CINEMANIA '96 NEW

The ultimate reference point for anybody interested in films.

More than 20,000 reviews.

£25 EX VAT

FUNSCHOOL 4 NEW

4 IN 1 Completion pack includes:

► Funschool 4 classic collection.

► Funschool spelling.

► Funschool paint and create.

► Funschool maths.

All in one superb gift packed box.

£34 EX VAT

MUSIC CENTRAL NEW

Micros' ultimate music resource complete with artist profiles, provocative reviews as well as song clips and music suggestions.

£34 EX VAT

LATEST GAMES RELEASES

REBEL ASSAULT 2 NEW

STAR WARS REBEL ASSAULT

Now with even better graphics, more game play and stunning movie sequences.

If you ask Santa for anything this Christmas, ask for this.

£32 EX VAT

SCREAMER NEW

Take the fun in the drive of your life.

Super graphics and outstanding sound effects.

£17 EX VAT

FIFA SOCCER '96 NEW

The latest version of the blockbuster football game featuring stunning 3D graphics, absorbing gameplay and all new virtual stadium technology.

£29 EX VAT

EPIC 2000 NEW

Fly the top secret European Superplane. Amazing graphics with superb scenery.

£32 EX VAT

11TH HOUR NEW

SEQUEL TO 7TH GUEST

Amazingly realistic graphics and fantastic gameplay in this truly interactive adventure game.

international

Chirac 'spook' was key to release of pilots

TONY BARBER

Paris

A former French intelligence agent, acting as the personal envoy of President Jacques Chirac, played a key part in securing the release of two French airmen from Bosnian Serb captivity. Western officials said yesterday.

Jean-Charles Marchiani, a Corsican who now holds the senior government job of prefect

in the Var department of southern France, secretly visited Belgrade at the end of last week. His mission became public knowledge when he returned with the captives on Tuesday to the military airport at Villacoublay, west of Paris. Mr Chirac, who was at the airport made a point of calling out to Mr Marchiani: "Bravo."

The President evidently selected Mr Marchiani for the mission because of the former

agent's experience in handling hostage crises. An intimate associate of Charles Pasqua, a fellow Corsican and former interior minister, Mr Marchiani was involved in efforts to free French hostages in Lebanon in the 1980s.

Liberation speculated that Mr Chirac's decision to use Mr Marchiani had angered the government, especially the foreign and defence ministries, which might have viewed the

mission to Belgrade as an unacceptable form of "parallel diplomacy". Mr Pasqua, when in government, and Mr Marchiani were once criticised for taking foreign policy initiatives, particularly in relation to Islamic countries, that went beyond their official responsibilities.

However, if the government was surprised by Mr Chirac's activation of Mr Marchiani as an alternative diplomatic channel to the Serbian leadership, it was

giving nothing away yesterday. The Foreign Minister, Hervé de Charette, said: "The plan was to have as many contacts as possible and Mr Marchiani was part of that effort."

The airmen, Captain Frédéric Clauft and Lieutenant José Souvignet, were shot down near the Bosnian Serb headquarters of Pale on 30 August as they took part in Nato air strikes against Bosnian Serb targets. The Defence Minister,

Charles Millon, said yesterday that France would have refused to sign the Dayton peace treaty if they had not been freed in time for today's signing ceremony in Paris.

He also said France would have insisted that United Nations sanctions on Serbia, imposed because of Belgrade's role in instigating the wars in former Yugoslavia, should not be lifted in their entirety. As events turned out, the Serbian

president, Slobodan Milosevic, once again demonstrated his ability to bring the Bosnian Serbs into line by helping France's efforts to free the

airmen.

French officials suggested that the successful outcome owed most to the work of three presidents - Mr Chirac, Mr Milosevic of Serbia and Boris Yeltsin of Russia. Although Mr Yeltsin is still in a sanatorium outside Moscow recovering

from a heart attack, Mr Chirac said the pilots would not have been released without his assistance.

The French praise for Mr Yeltsin contrasted with the lukewarm view taken of US efforts in the crisis. Playing down the role of President Bill Clinton and his special envoy, Richard Holbrooke, French officials said the US had not been primarily responsible for securing the pilots' freedom.

A chance for harmony amid the Mostar ruins

EMMA DAILY

Mostar

Among the ruins of east Mostar, where buildings lie shattered and children pick their way among the rubble, music offers a path to some kind of harmony among the people of the city. In a small (but intact) room amid the bombed-out ruins of a hotel, a group of children sing their voices rising to a crescendo of cheers and laughter: a music lesson for pupils of the special school.

Nigel Osborne, professor of music, composer and critic (for the *Independent*) has poured his energies into building a music centre in Mostar, the interior gutted by the relentless fire from the west bank of the Neretva river, where Bosnian Croat militiamen made war on the people of the east - most of them Muslims. Rebuilding will soon begin. Meanwhile, Mr Osborne, in conjunction with the charity WarChild, one of four charities supported by the *Independent's* Christmas appeal, is addressing the project's human needs.

The centre will have a tripartite mission: education, music

CHILDREN OF WAR APPEAL



Beating the drum for peace: A boy at the music therapy centre now being built in Mostar

Photograph: Keith Bramble

therapy and a state-of-the-art recording studio. This last facility is hoped to attract bands and orchestras from all over the region, bringing an economic boost to east Mostar and, perhaps, persuading those in the west that there is at least one good reason to repair relations with former neighbours.

The educational aspect is already working, based on the new Bosnian curriculum, which requires an hour of music study a week. Mr Osborne and WarChild have run refresher courses for music teachers at primary schools in Mostar and are distributing to schools the instruments needed in the curriculum. There are plans afoot for Bosnian professors to visit British universities and vice-versa. Music teaching locally will focus on children of primary age and a few of the very talented.

Last and perhaps most important is the planned music therapy department. In Mr Osborne's vision it will combine a

clinical practice with a research and training department. Music therapy is a newish practice but gaining ground all the time among the medical profession; Bosnia has all too many potential patients. "Most of the broken hearts here have been sewn up and rehabilitation will be the priority," he said. He hopes that potential therapists will want to study in Mostar.

Musicians are raising funds for the centre. Luciano Pavarotti, who has already given WarChild \$300,000 (£196,000), is to present another cheque for \$150,000 next week, from sales of a CD, "Pavarotti and Friends", recorded at a concert in Modena. The centre also will benefit from sales of "Miss Sarajevo", a single by Pavarotti, Bono and Brian Eno.

While the Help Bosnia CD, recorded in 24 hours last summer, was primarily aimed at raising money for medical and food aid, some profits from the recording will go to the Mostar venture. Sales and profits of the disc, which featured members of Blur and Oasis, Paul McCartney and Paul Weller, have far exceeded expectations. Perhaps music might seem a

frivolous way to help a country of refugees, of wounded, hungry and bereaved - yet Bosnia needs food for the soul, too. WarChild ran a bakery in east Mostar, providing more than a million loaves of bread to its inhabitants. WarChild still delivers food aid. But now, the agency argues, there is a need to expand beyond the material. "Here what's needed is a cultural regeneration," said Jonathan House, the WarChild representative in Mostar. The country's urban educated middle-class has been ravaged by the war (and its rural population uprooted in huge numbers). The centre need to provide the life and opportunities to prevent a second exodus and encourage a reversal of the brain drain.

The people of Mostar still

need the basics for survival, but they also need a broader vision for the future, and they do need your money to realise that vision. Once the centre is operating - particularly in the way that Mr Osborne hopes - there will be added incentives to cross the line and play together with former enemies. Only through mutual dependence will Bosnia survive.

Dijana, 12, and Edina, 15, are pupils at the school, standing around giggling after the lesson with Mr Osborne. "It's great," Dijana said. "We like learning songs." It is a kind of therapy, a dose of normality for a people brutalised by war. But perhaps most important, the music centre will not be a humanitarian hand-out but a project that can involve all Bosnians.

YOU CHOOSE THE COVER. WE CUT THE COST.



Now, direct home insurance from the name you know.

- Top quality. Low cost.
- Choose your cover.
- Instant quote and instant cover.
- Monthly payments available.
- All major credit cards welcome.



NORWICH UNION

Direct

No one protects more.
INSURANCE, INVESTMENTS, HEALTHCARE, PENSIONS.

0800 888 222

Mon to Fri 8am - 10pm. Sat 8am - 4pm. Please quote IN11
Norwich Union Direct, PO Box 921, Sheffield S11 8GY. Not available in Northern Ireland.

YOU CAN'T BUY BETTER

CUT NORDMAN FIR, NOBLE FIR & BLUE SPRUCE CHRISTMAS TREES

A 6ft or 7ft TREE, ONLY

£19.99
EACH
B&Q it!
(5ft also available)

RED METAL TREE STAND
Fits most sizes of Christmas tree. £9.99
(Shown with Cut Nordman Fir) ...ROOTBALLED NORWAY SPRUCE
Can be re-planted.
4ft-5ft sizes. £9.99 eachROOTBALLED BLUE SPRUCE
Can be re-planted.
2.2-5ft sizes. £9.99 eachCUT NORWAY SPRUCE TRADITIONAL CHRISTMAS TREE
5ft, 6ft or 7ft sizes. £7.99 EACH
*B&Q it!*You can do it when you *B&Q it!*

B&Q

OPENING HOURS Monday to Saturday Most stores 8am - 8pm.
Sunday England & Wales 10am - 4pm (where permitted).
Scotland & Northern Ireland 9am - 4pm (Ballymena closed).
Certain areas may close earlier. Please check with your local store to confirm.
IRELAND'S BIGGEST DIY CHAIN - FOR YOUR NEAREST STORE PHONE 0181 466 4146
Some shown are apprentices. Offers subject to availability and only in stores with open centres, please phone to check before travelling. Prices and offers not applicable at B&Q Warehouses, B&Q Depots or the Depot. See in-store for details of our price promise. Stands/Bases for trees are not included.

international

France in revolt: Beleaguered Prime Minister tries to bolster position as government denies that reform package is EU-driven

Juppé under fire from all sides

MARY DEJEVSKY
Paris

The French Prime Minister, Alain Juppé, appeared to be fighting to keep his job yesterday after Tuesday's vast street demonstrations against his welfare reform plans.

Despite renewed support from President Jacques Chirac, who called on ministers to show "firmness and calm", Mr Juppé was the object of widespread criticism, not just from opposition politicians and commentators, but from within his own political grouping as well.

Strikers in the key railway and public transport sectors are still refusing to return to work despite a string of concessions, and the question now being asked is whether Mr Juppé is the problem rather than the solution.

The sharpest comment came from a young Gaullist MP, Philippe Briand, who said – in remarks later denied – "There is a Juppé problem. He is incapable of explaining things... It is not enough to have ideas and work hard. He has no rapport with the population."

Exactly how disastrous Mr Juppé's communications have been was illustrated by a poll

taken for a television discussion programme last night. It showed that barely 40 per cent could identify any of Mr Juppé's 22 reform proposals – despite a concerted publicity effort by the Prime Minister's office.

In an unambiguous effort to bolster his position, Mr Juppé held unscheduled meetings yesterday afternoon with a series of heavyweights from the political right, including two former prime ministers, Edouard Balladur and Raymond Barre, and the former president Valéry Giscard d'Estaing.

He also announced that he would personally chair the "jobs summit" – the agreed designation of the "social summit" demanded by the trade unions, which will take place on 2 December. The most hard-line union leaders, Louis Viannet of the CGT and Marc Blondel of the Force Ouvrière, insist they will negotiate with no one except the Prime Minister.

There was a little consolation for Mr Juppé from a poll of employers, most of whom said that he should stand firm, and expressed confidence that the government knew where it was going.

The number of times that

individual union officials said yesterday they had "won" also suggested that a return to work might be only a matter of time.

The question is whether Mr Juppé can wait that long. The balance between the Prime Minister and the protesters seems increasingly fine, with strikers taking new courage from Tuesday's huge protests and Mr Juppé maintaining yesterday that "there is no longer any reason for the strike".

Aside from giving trade union leaders the written confirmation and "further guarantees" they have asked for, one crucial point he has left to concede is the basic restructuring of the welfare system – something he has ruled out.

The Foreign Minister, Hervé de Charette, vigorously denied yesterday that the welfare reforms have anything to do with the European Union, the Maastricht treaty or the timetable for a single currency. The possibility, however remote, that the protests could unite the public and private sectors of the economy in common revolt against the EU would be the ultimate nightmare for the government of a country that sees itself as the heart of Europe.



Photograph: AP

Paris protests find an echo in Belgian streets

In the third of a series on EMU's future, Sarah Helm finds fear and confusion

Brussels – "Maastricht should not be carried on the backs of the workers," said Claude Schoonbrunn, a green-clad forest ranger who sounded his hunting horn as 40,000 Belgian public-service workers massed near the Place de Brouckere.

"Save our pensions," shouted the postal workers. "No to social-security cuts," chanted the train drivers. By mid-afternoon the centre of Brussels was echoing to the same cries that have been heard throughout France for the past three weeks.

Up on a hill, where the European institutions sit in an isolated cluster, officials were deaf to the protests. As they prepared for tomorrow's Madrid summit, when the 1999 deadline for introduction of the single currency will be reaffirmed, Commission officials insisted the protests in France and Belgium had nothing to do with Europe's drive towards a single currency. The European Union wanted to get "closer to the citizen", said Jacques Santer, the Commission President.

But all the evidence from the streets of Brussels suggested that citizens feel alienated and confused. Belgians, too, are rising up against the economic cuts imposed by their government as part of the effort to meet the Maastricht criteria for the single currency.

For the Belgian government, failure to make the economic grade and being left out of monetary union at the start would be devastating. A founder-member of the com-

munity, Belgium has never voiced – till now – serious doubts about the value of integration, and Jean-Luc Dehaene, leader of the governing coalition, seems determined to win the economic battle ahead.

Belgium's main problem is its public debt, standing at 134 per cent of gross domestic product (GDP). The Maastricht criteria say countries wishing to join the European Monetary Union must aim for debt of nearer 60 per cent or show significant signs of progress towards that target. The deficit is under better control, and is estimated to be 4.5 per cent of GDP this year, edging down towards the Maastricht 3 per cent target. But with unemployment at 9.8 per cent and slow growth, drastic measures are being imposed to bring the economy into line.

Trade unions say Mr Dehaene plans to slash more than 110 billion Belgian francs (£25bn) from the 1996 budget, threatening jobs, pensions and pay.

The revolt in Belgium is not as widespread as in France, nor is it expected to spread so far. The government here is a broad-based coalition including the Socialists, unlike in France, where workers are rising up against the *dictat* of the Gaullist right. But the anxieties being voiced are perhaps equally significant for the future of the European Union, revealing as they do an undercurrent of discontent about Europe in one of most unquestioningly pro-European member-states.

Gun-toting judge may be outlawed

DAVID USBORNE
New York

The decorum of the New York judiciary has been rudely punctured by a bitter feud – punctuated by name-calling and implied death threats – between a Long Island judge and a prominent defence lawyer.

Judge Marc Mogil has never been a figure of conformity. The vanity plate on his car used to read "GUILTY", he has dismissed a gun in the courthouse and advertises his passion for flying with a full-size mannequin that stands by his desk dressed in a pilot's uniform.

His days on the bench may be numbered, however. The state judicial commission has formally accused him of harassing the lawyer, Thomas Liotti, by sending insulting and threatening messages. A referee may recommend as early as tomorrow that the judge be disbanded.

The war between the two men apparently began when Mr Liotti, as president of the local Bar association, invited the noted civil rights attorney William Kunstler, who died earlier this year, to speak at a meeting

Judge Mogil despised Mr Kunstler and began his campaign against Mr Liotti.

Mr Liotti has testified that he began receiving the missives from Judge Mogil about two years ago. They were often signed "Wyatt Earp" and usually bore stamps of cartoon characters.

At first, the messages were simply insulting, addressing Mr Liotti as a "donkey turd". Subsequently, however, one contained a plan of where Mr Liotti lived with an "X" over the position of his house. The message read: "Do you see how easy it is to disappear from the face of the earth, Tommy Boy".

Mr Liotti may have contributed to the feud with remarks at a swearing-in of judges in Judge Mogil's county. He offered a list of "13 things to avoid to be a good judge". Later, the judge presented Mr Liotti with 50 copies of "13 ways to avoid being an obnoxious lawyer".

Judge Mogil denies the charges. "I love being a judge," he said. "I love having an input into people's lives. I have a wall full of letters from people whose lives I have changed."

MATSUI. QUALITY YOU WON'T FIND

Exclusive to

MATSUI THE WORLD'S LEADING HOME ENTERTAINMENT SYSTEMS MANUFACTURER

More features, more choice, more reliability, more variety, more value for money. Matsui's unique range is so extensive that it's considered the UK's leading TV and sound brand.

NEW

▲ 3 DISC MULTIPLAY CD MINI HI-FI
£149.99

▲ REMOTE CONTROL CD MICRO HI-FI
£99.99

▲ CD MIDI HI-FI WITH TURNTABLE
£99.99

▲ PORTABLE CD SYSTEM
£79.99

▼ STEREO RADIO CASSETTE
£19.50

SALE 5%

WEEKEND SALE 15%

international

Our Home's future not so sweet

Russian elections: Linked to the government's fortunes, Chernomyrdin's party risks a thrashing

PHIL REEVES

Moscow

Viktor Chernomyrdin put a brave face yesterday on signs that his government-backed party will not fare well in the incoming Russian election by stoutly insisting there will be "no C-turn" in the government's reforms - no matter what happens at the ballot box.

Faced with poll after poll which shows that the Communists are considerably more popular than his centrist Our Home is Russia, the Prime Minister appealed to Russians not to "rock the boat", arguing that the country's fortunes are about to turn the corner.

Next year "must and will become the first year of economic growth in Russia", he said. "The retreat has stopped, we have started moving forward." Production was improving, inflation estimates were down; a viable banking system had been introduced, and the rouble had strengthened.

Although Mr Chernomyrdin will today notch up his third anniversary as Prime Minister, he has never run for elective office in post-Soviet Russia. The grey former gas industry bureaucrat could hardly have chosen a tougher contest than Sunday's elections for the State Duma, or lower house of parliament.

His difficulty, and that of his party, is simpler: most Russians - fed up with worsening poverty and a strong impression that the rewards of free market reforms have been snaffled by a grotesquely wealthy minority - are about as inclined to believe its life-is-not-as-bad-as-it-seems pitch as they are to abandon vodka in favour of goat's milk. In the eyes of many, especially in rural areas, these are the worst of times.

This may explain why Our Home appears to be heading for, at best, a mediocre performance in the election and, at worse, a thrashing. Although unreliable polls suggest that it will not tally much above 10 per cent, it may even get little more than the 5 per cent required to qualify for a share of the 225 seats in the Duma distributed under proportional representation.

This is not for want of trying. The party was set up in April with the blessing of President Boris Yeltsin as part of a plan to establish two centrist blocs in the hope of drowning out their opponents. In recent weeks its team of professional strategists have been running an expensive and sophisticated campaign aimed at presenting it as a moderate and modern, even hip, alternative to the more traditional image of the Communists and the knee-jerk rhetoric

of nationalists. It is no coincidence that its leaders include Nikita Mikhalkov, the director of the Oscar-winning masterpiece *Burn By The Sun*.



Brave face: A workman putting the finishing touches to a billboard showing Viktor Chernomyrdin of Our Home is Russia, which is scoring just 10 per cent in polls

Turkey wins long battle for EU free trade deal

HUGH POPE

Istanbul

From an impromptu party in the foreign ministry to broad smiles of triumph from the Prime Minister, Tansu Ciller, Turkey celebrated the European Parliament's assent yesterday to a long-awaited free trade pact that both sides hope will put Muslim Turkey in a Western orbit.

After months in which diplomats wondered whether the vote would even take place because of European reservations about Turkey's human rights record, the parliament in Strasbourg voted 343 to 149, with 36 abstentions, to allow the customs union to go ahead from 1 January.

"A new horizon has opened for Turkey. We are now ready to make a giant step forward," said Mrs Ciller, who had pushed through just enough laws to persuade MEPs of her intention to continue democratic reforms.

Turkish and Western diplomats who had fought for the pact over 32 years were delighted, too, although one European ambassador wryly said he hoped the promises for the future were "not like Turkish traffic lights, more for decoration than any signal of which direction you go."

But some changes will be real. Europe already accounts for half of Turkey's trade. The figures are set to rise fast as Turkish exports to Europe increase, especially of textiles, and European imports grow as duties of 10 to 40 per cent disappear. Turkey also will adopt a common customs tariff with Europe. The commission will give some 375 million ecu (£310m) over five years, and further loans worth about 2bn ecu are expected as well.

The European stamp of approval also will tempt new investment into one of Europe's lowest wage areas. New patent, competition and other laws

that were a condition of customs union have already attracted big companies keen to exploit Turkey's position on the crossroads between Europe and the Middle East, as well as the Mediterranean and the Black Sea.

Even so, Pauline Green, president of the Socialist Group, said many voted yes "with sorrow, with heavy hearts and without enthusiasm". And just as the reluctant Europeans hedged their co-operation round with calls for peace talks with the Kurdish rebels and a new initiative to reunite divided Cyprus, a minority of Turks had their own reservations too.

"The concessions, the sellout of Cyprus, the trampling underfoot of our national honour, this will all come later," wrote Emin Colasan, a columnist in the nationalist daily *Hürriyet*. "Europe will send its observers and its demands. They will tell us what to do."

But most of Turkey's 65 million people - 72.6 per cent, according to the English-language *Turkish Daily News* - approve of the free-trade pact, believing it will bring lower prices, closer cooperation and better laws. Many are also determined on full membership of the European Union, even though Turkey's 1987 application was shelved in 1989 and now has been overtaken by Eastern Europe, Cyprus and even Malta.

"We will enter the European Union. We will go there with our mosaics. We will make them accept us," said Mrs Ciller, who has made customs union a main plank of her campaign ahead of parliamentary elections which are to be held on 24 December.

Mosques may not be the first thing the Europeans want, but one reason they voted for customs union was to shore up the crumbling secular state system that has governed the Turkish republic since 1923.

Mystery of 'dingo baby' lingers on

ROBERT MILLIKEN

Sydney

They came to clear their names, but, when they left court yesterday, the parents of Azaria Chamberlain, the "dingo baby", declared that Australia's longest-running mystery may not be over yet.

Lindy Chamberlain-Creighton and Michael Chamberlain, her former husband, arrived at the Darwin coroner's court yesterday, 15 years after Azaria's disappearance at Ayers Rock, seeking an unambiguous finding that they had nothing to do with her death. They have always maintained that the nine-week-old child had been taken by a dingo, or wild dog.

But John Lowndes, the Northern Territory coroner, delivered an open finding, declaring he was unable to state precisely how Azaria died. Mrs Chamberlain-Creighton, he said, did not kill her daughter, but there was insufficient evidence to conclude that a dingo had done so. Far from putting the case to rest once and for all, as Azaria's parents had hoped, yesterday's verdict has opened it up to renewed speculation.

Lindy and Michael Chamberlain divorced in 1981. The legal, political and media saga that engulfed them in the years following Azaria's disappearance from the family's holiday tent at Ayers Rock on 17 August 1980. Her body has never been found.

Both parents have remarried. Mr Chamberlain, 51, to an old friend and Mrs Chamberlain, 47, to John Creighton, a furniture store proprietor in the United States, where she now lives.

Both were in court to hear yesterday's verdict, and both expressed their disappointment afterwards. Mrs Chamberlain-Creighton said: "We're pleased that the coroner has gone one step further in clearing our names. We can't say that we're pleased with the open finding. We're reviewing that at the moment. So, I guess this may not be the end of the case after all, and you may hear from us again."

Mr Chamberlain said: "We wanted a clear statement on how Azaria died and what took

her life. We seem no further advanced on that."

The Chamberlains had asked for this, the third coroner's inquiry into Azaria's disappearance, in order to formally expunge an earlier finding that left open the accusation that Mrs Chamberlain, as she then was, had murdered her infant daughter. The first inquiry in 1981 supported the parents' claims that a dingo had snatched the sleeping child from the tent, and concluded



Lindy Chamberlain and new husband, John Creighton

that a person or persons unknown had intervened to dispose of the body. A second inquiry the following year committed Mrs Chamberlain for trial for murder and her husband for being an accessory. Both were found guilty.

After serving three years of a life prison sentence, Mrs Chamberlain was released in 1984 when Azaria's matinee jacket was found at the base of Ayers Rock, a vital piece of evidence which supported her claim of innocence. Although a Royal Commission inquiry later exonerated the Chamberlains, and their convictions were quashed, the outcome of the second inquiry has never been declared legally void. The Chamberlains finally achieved its burial yesterday. But they wanted more: a ringing declaration that the dingo did it.

So much time and anguish has passed since the fateful night at Ayers Rock, however, that they may have been asking too much of the coroner. Australians will continue to gossip about the Chamberlains and argue about what happened to their baby.

IT AND VALUE THAT ANYWHERE ELSE.

Currys & Dixons

41" COMBINED TV AND VIDEO

£349.99

14" PORTABLE STEREO

£19.99

CLOCK RADIO WITH CASSETTE

£19.99

PERSONAL STEREO

£18.99

TRAVEL CLOCK RADIO

£14.99

DICTATION MACHINE

£24.99

STEREO RADIO CASSETTE GIFT PACK

£37.99

MATSUI

QUALITY PRODUCTS AT AFFORDABLE PRICES

These and many more of the Matsui range are exclusively available at over 750 Currys & Dixons Stores. Ring 0181 260 0200 for details of your nearest store.

NOW YOU CAN ORDER BY PHONE

TELEPHONE 0800 541 050

LINES ARE OPEN 8.00 AM - 8.00 PM MONDAY - FRIDAY
9.00 AM - 5.00 PM SATURDAY
10.00 AM - 4.00 PM SUNDAY

DELIVERY CHARGES FROM £3.25 PER ORDER
There will be an additional charge for delivery to the Highlands and Islands.
We offer a delivery service to the Highlands and Islands.

obituaries/gazette

Sir David Lightbown

David Lightbown's main quality was loyalty. He believed in loyalty to the leaders of his party and loyalty to the principles of Conservatism. From his days on Lichfield District Council to his translation to Member of Parliament and from there to the government whips' office, Lightbown was a loyal man.

Having been elected as MP for South East Staffordshire in 1983 when he was already 51, he probably thought that he might not be able to enjoy the fullest ministerial career which presents itself to younger men, but his vast experience and attitudes commanded themselves; his appointment to the whips' office in 1986 was inspired.

Lightbown was a large man in all respects and possibly the last Regimental Sergeant-Major to enter the whips' office. He saw the changes in the Conservative Party as new intakes of young MPs arrived after the 1987 and 1992 general elections and our majority dropped, and thought that these new MPs needed to be educated in the ways of Parliament and in the advantages of United Action.

Any new member who fell foul of one of the whips' main commandments, such as miss-

ing an important vote, would receive the benefit of David Lightbown's advice and concern. They might have felt the treatment was robust, but I know of members who are eternally grateful for the way in which Lightbown, having set them on the right course and pointed out to them in no uncertain fashion the transgressions they had committed, then escorted them to the smoking room for a drink and to the Member's Dining Room for a meal: he was a caring and congenial man.

There was a certain political radicalism about David Lightbown. He could not abide hypocrisy and cant, and found socialism in all its forms completely "beyond the pale", though he was just as happy to provide the homely advice and hospitality to opponents that he would so willingly provide to one of his own party.

At a time when the "plastic"

packaging of politicians has arrived, Lightbown remained an individual. Like a number of us he voted consistently against the televising of the House of Commons proceedings because he believed that it would affect the spontaneity of MPs.

During the Maastricht debate

he was credited in the popular press with, at the least, some robust behaviour towards the recalcitrant rebels. The tabloids called him "The Terminator". The truth is that he was deeply upset by such rebellion when his basic beliefs were so concerned with loyalty. The approach was never as robust as was alleged; and I believe he retained great affection from the "objects" of his activity.

When Lightbown's seniority in the whips' office led him to take on the duties of a Royal Household Officer, this was a source of pride. He was devoted to the Queen and, in the same way that he believed in loyalty to the Leader of the Party and his Government, he believed in loyalty and devotion to Monarch. He would regale the whips' office with stories of how hard the Queen works and how committed she is to the service of her country. He loved being a part of that.

When there was time to relax, there was no finer socialist than David Lightbown, with the support of his wife Ann. He regularly performed the role of Santa Claus at the whips' Christmas party. At the party three years ago the Division Bell

rang and we all had to make haste to the House of Commons to vote; Lightbown had no time to change as he was dispensing presents from his sack to the whips' children, so he proceeded to the government lobby in his full outfit. He was obliged to remove his headgear to satisfy the government teller that he actually was the Member for South East Staffordshire.

Lightbown had many interests outside the House, including rugby. (Controversially, in 1984, he supported the rugby football tour of South Africa.) He died whilst attending the Oxford and Cambridge Varsity rugby match.

Timothy Kirkhope

David Lincoln Lightbown, politician: born Derby 30 November 1932; member, Lichfield District Council 1975-86 (Leader of Council 1977-83); member, Staffordshire County Council 1977-85; MP (Conservative) for Staffordshire South East 1983-95; Assistant Government Whip 1986-87; Lord Commissioner of the Treasury (government whip) 1987-90; Vice-Chamberlain, HM Household 1990; Comptroller 1990-95; Kt 1995; married; died London 12 December 1995.

Sir Godfrey Agnew

Godfrey Agnew was for 21 years Clerk of the Privy Council. The main function of the Council today is to give formal effect to Proclamations and Orders in Council, which are issued by the Crown under prerogative or statutory powers. Such instruments are enacted "by and with the advice of Her Majesty's Privy Council".

In fact the Crown acts on the advice of the Government in the exercise of the prerogative, and where statutory provision exists the power has been authorised by Parliament, through an Act of Parliament. Proclamations are issued for such matters as proroguing, dissolving, and summoning Parliament and declaring war or peace. Orders in Council may be legislative, executive, or judicial in effect. A Privy Council is called for certain ceremonial occasions, such as the acceptance of office by a newly appointed minister. It was to the proper ordering of all such matters that Agnew devoted his working life.

Crossman referred to Agnew

"Off to a farewell party at the Privy Council office, with nice little speeches by Godfrey Agnew and myself. We have had a love-hate relationship." Thus Dick Crossman in his weekly diary in the entry for 1 November 1968. There was far more of a love than a hate element. A worm's eye view it may have been, but I was, as the late James Reston would put it, "under the carpet" at the many meetings Crossman had in his House of Commons room with Agnew, when I was Parliamentary Private Secretary to the Lord President of the Council.

They got off to an auspicious start. Agnew did not know that Crossman had to wear a corset across his middle body for medical reasons, and therefore found it difficult to ambulate backwards in the presence of the Queen at formal Privy Council inductions. As soon as he knew, Agnew bent his ingenuity towards integrating protocol procedure and medical problem.

Crossman referred to Agnew



Agnew: love-hate relationship
Photograph: Desmond O'Neill

appealing. In his entry for 11 January 1967 Crossman wrote: "As we left I felt this time it had been a great deal easier. [Sandringham.] I suppose the truth is that she [the Queen] really likes people she knows and every time you see her she tends to like you better simply because she's got more used to you. I remember once meeting Godfrey Agnew when he was the private secretary to Robin Day because they were social acquaintances and he said 'I don't think so.' The Queen doesn't make fine distinctions between politicians of different parties. They all roughly belong to the same social category in her view." I think that's true.

I was actually in Crossman's common room – it was early evening gin-and-tonic time – and I recited both chuckled uproariously. The remark epitomised Agnew's subtle humour and was funny because Agnew sensed Crossman's own view of himself, very much as Wykehamist upper-class.

Some 15 years after Richard Crossman was in his grave I asked Agnew how he looked back on Crossman. Agnew smiled that unmalicious arch

smile. "The Chinese tell us that people are those who live in interesting times. I was fortunate with all 12 of my bosses the Lords President of the Council but Crossman was such fun." Reflectively, Agnew added, "And you know any man likes to be remembered, even as a footnote in history. Were it not for my appearance in the Crossman diaries only my family and close friends would have remembered that I ever existed."

On another occasion I asked

Agnew what he thought his job was. "To lubricate relations between the Palace and Government and to make sure not so

much that protocol prevails as that relations go smoothly. If you like, I am the Sir Charles Harris or the Sir Freddie Warren [successive secretaries of the government. Chief Whip] and embodiment of the parliamentary usual channels between parties and the physical embodiment of the usual channels between Palace and the governing party."

Godfrey Agnew was well regarded by the Queen and her Household. She knew him well because his first wife was the daughter of the famous Charles Moore, who was her father's and her racing trainer.

Lord Hailsham of St Marybone, who was twice Lord President of the Council, looks back on Agnew with affection. "We worked well together," he said. Doubtless the same could be said by any of the 10 other holders of this great office of state.

Tom Dailly

William Godfrey Agnew, clerk: born Tunbridge Wells 11 October 1913; Senior Clerk, Privy Council Office 1946-51; Deputy Clerk of the Privy Council 1951-53; Clerk 1953-74; CVO 1953; KCVO 1965; Deputy Secretary, Cabinet Office 1972-74; CB 1975; married 1939 Ruth Moore (died 1962; three sons, three daughters), 1965 Lady (Nancy) Tyrwhitt (two stepsons, one stepdaughter); died 10 December 1995.

Mary Lascelles

Since the moment in 1919 that Mary Lascelles arrived at Lady Margaret Hall from Sherborne School for Girls, Oxford was her spiritual and for all but a few years, her actual home. She was Tutor in English at Somerville College for 30 years and for 13 years Vice-Principal. Promotion to a Readership, since it entailed the loss of her tutorial teaching and her rooms in college, gave her less pleasure than her election to the British Academy in 1962.

"I was born on the slopes of an extinct volcano in the Caribbean. I am bound to admit that this is the most remarkable fact I shall have to record: from now on the tale must grow more commonplace." So begins Mary Lascelles' *Memor* of her life, printed privately in 1989. Commonplace, however, is not the adjective that her pupils or colleagues at Somerville normally applied to her. Mary Lascelles was a great teacher, and to all who knew her a

great personality. Her standards of politeness, punctuality and integrity were as formidable as her scholarship, and almost everyone remained in awe of her long after the moment when it was indicated that they might call her Mary.

No two of her former stu-

dents can meet without an ex-

change of stories about her.

Most of them have paced the street outside her little house in North Oxford to ensure that they arrived exactly on time, and the story goes that Esther Rantzen rang her bell a polite three minutes late to be greeted with the words "Ah, you have come at last. I shall just go and reheat the scones."

Tea-parties and tutorials alike were memorable rather than relaxed occasions. Her neatness and precision seemed to make others more prone than usual to clumsiness and *fauve* past. Rugs and occasional tables became hazards. "Books and food on the same table: that is my definition of squalor," she told a

student who incautiously placed a book beside his tea plate. A friend recalls saying to her, at the time when the law was changed to allow cheques to be deposited on Sundays, that she still felt inclined to put in Monday's date. "If I were to write a cheque on a Sunday," responded Mary, "I should, I think, be truthful about the date."

If conversation was sometimes inhibited it was because you lived in terror of splitting an infinitive in her hearing or using a slang phrase of which she would disapprove. Slovenly English was painful to her. She took great delight in telling how an earnest German student had come up to her after a lecture and said, "I seek and I seek for the language of the common people, and I find it in you." He was some way from the mark. He simply meant, Mary explained, that there was no jargon. There was mercifully no jargon in her scholarly works. "In-

terpretation and appreciation" were her declared aims, achieved so successfully that the book with which she made her name in 1939, *Jane Austen and Her Art*, is still selling well in paperback edition. R.W. Chapman, whose edition of the novels inspired her to write on Jane Austen, became her friend and mentor. Later she took over from him the editing of Johnson's *Journal to the Western Isles* for Yale. Johnson may seem an incongruous subject for a lady scholar of Mary Lascelles' fastidious tastes. His table manners would have been found wanting, but in conversation they would have exchanged aphorisms on nearly equal terms. She also turned her attention illuminatingly to Shakespeare and Scott.

Rigorous and readable as her scholarly works were, it was none the less as Tutor and Fellow of Somerville that Mary Lascelles was at her best. Her pupils of the 1940s admired the elegance and beauty of "The

Lass" but above all her teachings. "She gave an overpowering, a lasting impression," wrote one, "that literature was exciting. She was a great teacher." She was also a great influence within the college. Janet Vaughan, the Principal, discussed everything with her and could rely on her impeccable judgement. She made no parade of her kindnesses, but they were many. Generations of undergraduates, like her colleagues, came to sense her affection for them and her interest in what they were doing. That interest continued long after they went down and she took a quiet pride in their success.

Increasing blindness finally drove her in 1990 from retirement in Oxford to her sister's home in Norfolk.

Her death severs one of the last links with what she called that "smaller and more friendly world, gone beyond recall" whose values she upheld unwaveringly.

Eric Anderson

Lascelles: fastidious tastes
Photograph: Lotte Meitner-Graf

Mary Madge Lascelles, English scholar and teacher: born Granada, West Indies 7 February 1900; Tutor in English Language and Literature, Somerville College, Oxford 1931-60, Fellow 1952-67; Vice-Principal 1947-60; Honorary Fellow 1967-95; Lecturer in English Literature, Oxford University 1960-66; Reader 1966-74; FBA 1962; books include Jane Austen and her Art 1939; Novels and Facts 1973; Selected Poems 1990; died Coroner, Norfolk 10 December 1995.

Births, Marriages & Deaths

DEATHS

COTTERELL On 11 December, peacefully in hospital, Ian Douglas aged 65, formerly of the BBC Drama Department. Funeral service at Gold's Green Crematorium (East) on Tuesday 13 December at 1.15pm. Family flowers only, but donations may be sent to Parkinson's Society, 22 Upper Woburn Place, London WC1H 0RA.

ROSE Professor Gillian, of Warwick University, passed away in hospital on Saturday 10 December 1995. Loved and adored by her father, mother and family. Funeral service on Friday 15 December at 1.30pm at the Cathedral Church of St Michael, Coventry. Burial to take place on Monday 18 December, 11.30am at Hampstead Cemetery Chapel, Fortune Green Road, Hampstead, London. Flowers and tributes to Gillian, 118 Albany Road, Coventry CV5 6NG. Telephone 01203 674746.

POWELL William Pearson. On 11 December 1995, after a long illness, aged 70 years. Son of the late James and Mary Powell. Services at 1pm on Tuesday 19 December at the Charnwood Crematorium, Hull. Family flowers only please.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E1 8SD. Telephone 0171-233 2011 (24-hour answering machine 0171-233 2012) or fax to 0171-233 2013, and are charged at 10.50 a line (VAT extra).

Forthcoming marriages

Mr T. J. G. Whitmarsh and Miss J. A. Lewis

The engagement is announced between Tim, elder son of Guy and Judy Whitmarsh, of Richards Castle, Herefordshire, and Jules, elder daughter of Derek and the late Gillian Lewis, stepdaughters of Eileen Lewis, of Shirey Row, County Durham.

Birthdays

Captain the Hon Sir Nicholas Beaumont, director, High Godforth Park, 66 Mr Vivian Bendall MP, 57; Professor Richard Cassilly, operatic tenor, 68; General Sir Desmond Fitzpatrick, former Deputy Supreme Allied Commander, Europe, 83; The Right Rev John Grimond, former Bishop of Edinburgh, 76 Sir Quinton Hazell, former director, Foreign and Colonial Investment Trust, 75; Sir Anthony Kenilworth, former MP, 50; Miss Barbara Leigh-Hunt, actress, 66; Mr Thomas McAvoy MP, 52; Mr Charles Morris, former MP and government minister, 69; Mr Alberto Morroco, painter, 78; Sir John Osborn, former MP, 73; Dame Ruth Ralston, founder of the National Youth Orchestra, 80; Miss Jeanette Scott, actress, 57; Mrs Stan Smith, tennis champion, 49; Mr Roy Thompson, MP, 51; Sir Simon Townley, Lord Lieutenant of Lancashire, 74; Miss Roslyn Turke, conductor, lecturer and writer, 51.

Anniversaries

Bishop Nostradamus (Michel de Nostredame) astrologer and prophet, 400

gives at a dinner held yesterday evening at the Mansion House, London EC4, to mark the visit of Mr Leonid Kuchma, President of the Republic of Ukraine, and Mrs Kuchma.

ROYAL ENGAGEMENTS The Queen holds an audience at Buckingham Palace. The Duke of Edinburgh opens the new National Maritime Museum at Greenwich, London, and the Royal Air Force at Fairford, Gloucestershire. The Prince of Wales and the Duchess of York open the new £10m extension to the Royal Shakespeare Company at Stratford-upon-Avon. The Queen and the Duke of Edinburgh open the new £10m extension to the Royal Opera House at Covent Garden. The Queen and the Duke of Edinburgh open the new £10m extension to the Royal Opera House at Covent Garden.

LECTURES Tate Gallery: J. William Shank, "The Conservation of Modern Art: Why?", 4pm. University College London (Darwin Lecture Theatre), London WC1. Professor Keith Mason, "Surveys of the X-Ray Sky: driving into the heart of quasars", 5.30pm. RIBA Architecture Centre, London W1: Sir Richard Rogers, "The Times Strategy", 7pm.

DINNERS Lord Mayor of London: The Lord Mayor of London, Mr John Cheshire, and the Lady Mayoress, Mrs Cheshire, together with the Sheriff and their ladies, received the

stay of a possession order obtained by the mortgagee in 1990. The case was remitted to the judge for reconsideration. Miles Croally (Clement Jones, Barrister) for the mortgagee; Malcolm Webber (S.J. Cowan, Gloucester) for the mortgagor.

Lord Justice Waite said that under section 36 of the Administration of Justice Act 1970 the court could adjourn possession proceedings or stay, suspend or postpone any possession order granted to a mortgagee, "for such period as the court thinks reasonable" and subject to any conditions it thought fit, where the mortgaged dwelling consisted of or included a dwelling house, if it appears to the court that the mortgagor is likely to be able within a reasonable period to pay any sums due under the mortgage or to remedy the default . . .

Thus in the common situation where, as in this case, the whole mortgage debt became repayable upon the expiry of the possession order, the court could adjourn the proceedings until the debt was paid in full.

The question then arose as to what was a "reasonable period" to allow the mortgagor to bring the repayments up to date. The judge said that in his experience "a period of two to four years is the maximum that will ordinarily be allowed".

But Mr Croally, relying on dicta in *First Middlesborough Trading & Mortgage Co Ltd v Cunningham* [1974] P & C R 69 at 73 and *Western Bank v Schindler* [1977] Ch 1 at 14, con-

tended there was a primary assumption that a reasonable period was the term of the mortgage, which in this case had 13 years left to run.

Although his Lordship would not go so far as to make it an "assumption", it did seem that the logic and spirit of the legislation required the court to take as its starting-point the full term of the mortgage and to pose at the outset the question: would it be possible for the mortgagor to maintain payment-off of the arrears by instalments over that period?

Such an approach would demand a more detailed analysis of present figures and future projections than had hitherto been customary. Borrowers might need to provide a detailed budget. The court would also have to resolve disputes over how much of the outstanding debt should be attributed to interest and how much to principal. But such problems should not be allowed to stand in the way of giving effect to the clearly intended scheme of the legislation.</

news analysis

Engineering a plateful of trouble?

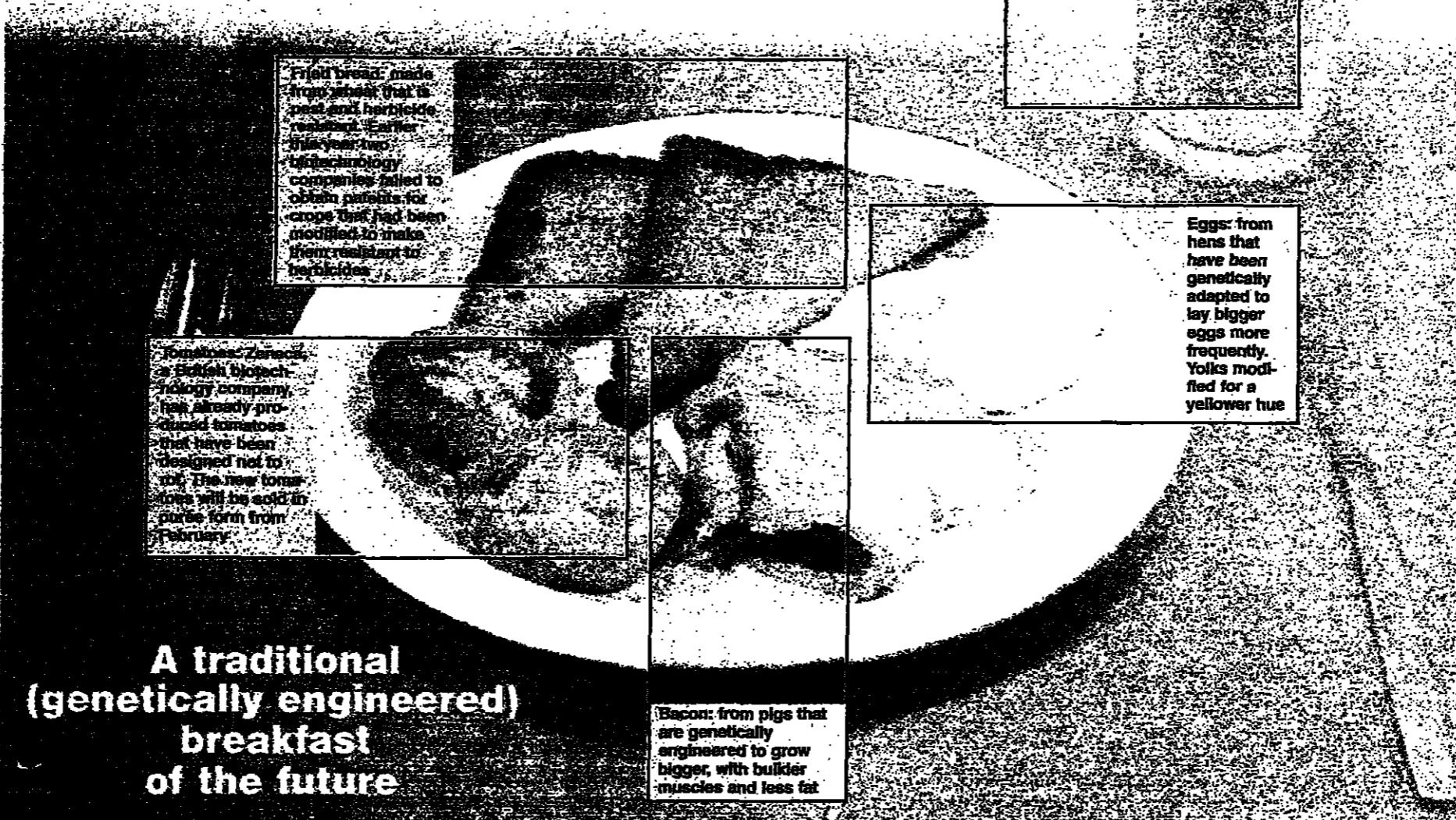
The supermarkets say tampering with genes improves our food, but the Prince of Wales is doubtful and consumers are bewildered. Charles Arthur assesses the arguments

How can you tell if the food on your plate has been genetically engineered? The short answer is: you can't. The difficult question is: should you be worried?

No one knows for sure, and consumer groups and, this week, Prince Charles, find that uncertainty worrying. At a conference on biodiversity the Prince criticised the "confidence bordering on arrogance" of the developers of genetically engineered plants and animals, and said he was "profoundly apprehensive" about their products' possible effects.

His words may hit a sensitive spot with a public already alerted to food issues by the row over the safety of beef. In the past fortnight concern has grown about whether eating beef carries the risks of developing the human equivalent of mad cow disease (an ailment which is unequivocally not caused by genetic engineering).

If the Prince wanted to start another food scare, his timing could hardly have been better



If the Prince wanted to start another food scare, his timing could hardly have been better. Next February, Safeway and Sainsbury's will start selling tomato puree made from tomatoes whose genes have been tweaked so that the fruit takes far longer to rot. Though they are not legally obliged to label the product any differently from other purées, both supermarket chains say they will do so. But equally, they also intend to go ahead and put them on sale.

"There are obvious benefits from genetically engineered foods such as taste and longer shelf-life," says a spokesman for Sainsbury's. "They will be clearly labelled as such." Is the company worried about another food scare? No, it is not. "The

Prince is entitled to his own opinion, as is the consumer."

Developed by the British biotechnology company Zeneca (formerly part of ICI), the products that make the puree have already been dubbed "Frankenstein tomatoes". In the Zeneca tomato, a gene that creates a plant hormone called ethylene is repressed. Ethylene is one of the key components in rotting. The effect of repressing it is that the fruit takes up to 40 per cent longer to rot – a key figure for food companies trying to distribute it to far-flung shops or processing centres. And the commercial benefits are self-evident: the world market for the product is worth £230m annually.

But the whole process of altering foods and animals by

the most modern of techniques – to create what is known as a "genetically modified organism" (GMO) – has drawn fire from consumer organisations, and from Tim Lang of the Centre for Food Policy at Thames Valley University. "It's symbolic of what's happening in the food market. The consumer only gets any choice about what happens at the end."

Professor Lang is strongly critical of the enormous commercial bandwagon behind genetically altered food. "Eighty per cent of the patents taken out on GMOs have been taken out by 14 companies," he says. "There is an important point about the politics of science here: these companies are the ones pushing this. But when have consumers

ever asked for tomatoes that take longer to rot, or salmon that grow 10 times faster?"

The possibility of creating organisms that might not arise naturally has been around since the 1970s, when the technique of using "recombinant DNA" was developed. DNA is the genetic material for every living organism, consisting of a double helix of millions of pairs of four basic amino acids. Every few million such pairs comprises a gene. Recombinant techniques can splice a gene from one plant or animal into another. Using these methods, researchers have already produced a menagerie of GMOs. There are potatoes with extra genes from bacteria that live in the gut; when fried, the potatoes make crisper chips.

There is wheat that is resistant to herbicides, so the fields where it grows can be sprayed with impunity. There are tomatoes made frost-resistant by including genes from cold-water fish. Professor Lang says: "The big question is the 'What if?' What if a pest-resistant gene gets out from a crop and becomes incorporated into other plants? What if mutant insects get resistance to pesticides? That's an aspect which hasn't been brought out."

His questions are echoed by Julie Sheppard, a spokeswoman for the Genetic Forum, a consumer association which monitors the use of genetic engineering in modern life. "The implications of these foods are so colossal," she says.

anywhere has ever been harmed by a GMO – so we're doing pretty well. Judged by its record, genetic modification hardly needs regulation at all."

It is, however, regulation in the UK: the release of GMOs is policed by a part of the Department of the Environment known as ACRE (Advisory Committee on Releases to the Environment). It carries out risk assessments and oversees the implementation of UK regulations in the use of GMOs.

Critics of companies involved in genetic engineering portray them as pushing ahead without knowing the full implications of their work. In fact they have a very strong motive for being cautious: if some food did eat a GMO and some dire result fol-

lowed, they would claim astronomical damages. A lot of the research now going on tries to determine what the risk is that spliced genes might jump between species. It happens with ease between bacteria, which not with higher organisms?

"It's a remarkably safe field," insists Dr Cree. "Genetic modification lets you be much more precise about what changes you make. It's quicker and easier. For example, to produce a new breed of wheat. If you want a higher plant, you work out which part of the genome [the entire sequence of the plant's DNA] affects its height and just alter that."

Dr Cree admits that the possibility of genes jumping from one species to another is a concern, "though that is not borne out by experience". Scientists' confidence about genetically engineered food stems from the fact that we have been eating other species' genes for

When did consumers ask for tomatoes that are slow to rot, or salmon that grow 10 times faster?

centuries, and so far no one has grown wheat on their head or begun to moo.

It is commercial pressure that is driving genetically engineered foods towards the market: once the gene has been added to an animal or plant, it takes less effort to get the finished result. And the companies can argue that shoppers always want fresher, brighter, tastier foods, in greater volumes.

But consumers may have the last laugh. There will be growing pressure on retailers and manufacturers to put clear labels on altered foods. That in turn makes it likely that people will turn away from such "Franken-foods" to ordinary ones – even though there might be no risk and they could taste better.

This will come as a shock to students of English literature, and render a thousand theses null and void; but Sylvia Plath, well-known suicidal depressive, poet and novelist, was in fact a jolly soul.

Her family have discovered among her private papers a children's story, "The It Doesn't Matter Suit", about a young boy, Max, who becomes the proud owner of a "woolly, whiskery, brand-new, mustard-yellow suit with three brass buttons shining like mirrors on the front of it, and two brass buttons at the back, and a brass button on each cuff". Rejected by all his older brothers, the suit gets snipped and stitched until it is just right for Max, and endows him with magical qualities.

The story, written in 1959, four years before Plath's death by her own hand, will now be published by Faber

sponsorship. They do not believe it is tenable given Shell's drilling in Nigeria, whose government recently executed campaigner Ken Saro-Wiwa. Dr John Hemmings, the RGS's director, is unmoved. He plans to discuss the issue at the annual RGS conference in January, and not before. One complainant believes that the dispute could break the uneasy alliance between radical and conventional geographers and that the IBG could break away again after the conference. "Since many of the radical geographers never wanted the merger anyway, they will not mourn a break-up."

So confusing, these London orchestras with their ridiculously similar names. How can one be expected to distinguish between a London Philharmonic and a Philharmonia? Especially when one is Lord Gowrie, the chairman of the Arts Council, which gives those orchestras millions of pounds. After a recent London Philharmonic concert, the beaming earl went up to the orchestra's top brass and confided to them: "We've had a terrible time with the Budget, but I think we're going to be able to help with the £100,000 you need to sign Christopher Dohmányi."

Now it is true that Dohmányi, maestro of the Cleveland Symphony Orchestra, has long been an object of desire for one London orchestra – but, alas, not the London Philharmonic. It is the Philharmonic's bosses who will be rubbing their hands in glee at Gowrie's generous gesture. Never mind, it's an easy mistake for a chap to make as he signs the cheque.

Christmas card watch: Eagle Eye is struck by the humour in the card chosen by Virginia Bottomley, the National Heritage Secretary. Her card

features a detail from Frank Cadogan Cowper's "Our Lady of the Fruits of the Earth", and shows the Madonna with child watched by a flock of sheep. The fruits of the earth are no doubt a reference, with ironic self-deprecation, to the munificence that Mrs Bottomley notably failed to distribute last month when nearly all her portfolio suffered post-Budget cutbacks. And the sheep no doubt constitute a nod in the direction of Turner Prize winner Damien Hirst, who would have dissected and picked them.

At Baroness Chalker's ministry, the Overseas Development Agency, they are pondering a weighty matter: whether or not to renew the grant for *Dom Svet*, Russia's first radio soap opera, created by the BBC and modelled on *The Archers*.

Dom Svet goes out every weekday for 15 minutes. But instead of rural Ambbridge, the setting is a Moscow apartment block. Instead of Borseshire's affluent farmers and struggling rustics there is Baba Polya (canny granny), Yura (the plumber), Varya (who runs her own flower business), and teenagers Kolya, Olya, and Ianya. The programme is the brainchild of Liz Rigby, the *Archers*' editor for three years until 1989, and was launched two years ago, when it received an ODA grant of £500,000. The programme has been a huge success but its future is uncertain. The ODA is considering withdrawing its grant and Russian businesses are being approached for sponsorship. Perhaps the BBC could cut costs by combining the two soaps – with Jack Wooley exporting *Grey Gables* to the Urals and the Grundys setting up a vodka still in the barn.

Eagle Eye

Think again about sunny Sylvia Plath

and Faber next year. A Faber spokeswoman said: "People will have to revise their views about Plath after this. It wasn't even known that she wrote prose for children. This is a delightful and magical book."

Dr Margarita Stocker, English don at St Hilda's College, Oxford, said: "It does seem we have accepted an exaggerated image of a wretched and oversensitive creature." What next – an undiscovered Virginia Woolf manuscript?

Mohammed Al Fayed's experiment

with selling his store's own brand of beer, Harrods Traditional Lager, has taken a surprising twist. Harrods' own lager has been spied in shops that other Harrods products don't reach. Tesco supermarkets are stocking the brand – the first time that the top people's store has allowed it to reside alongside the Spam and baked beans in a lower people's store's shelves. Cynics would be wrong to think this denotes that Harrods Traditional Lager has not sold in large quantities. What it does denote, explains a Harrods spokesman, is a recognition of the new egalitarianism abroad in One Nation Knightsbridge. "Far from being exotic oil sheiks or billionaire businessmen," he says, "most of our customers are just ordinary people like you and me, the same sort of people who shop at Tesco. I'm off to buy that Tesco hamper for Christmas."

There are seismic upheavals brewing within the smooth alabaster portals of the Royal Geographical Society's headquarters in Kensington. The row is over Shell, from whom the RGS receives £40,000 annually. Not a sum to be sniffed at – at least that is what the grumps fromages at the RGS think.

However, a faction of 40 academics who used to belong to the Institute of British Geographers – a radical left-wing camp which rivalled the RGS for 62 years until the two merged, uncomfortably, last January – have written an open letter to the RGS complaining about Shell's



Generation Why
by Tony Reeve and Steve Way



Up to £65 worth of airtime
FREE

With our new promotion

at Vodafone Centre this Christmas

WE MUST BE CRACKERS!

**MOBILE PHONES
£4.99
PLUS FREE CONNECTION
TO YOUR LOCAL OR PERSONAL WORLD**

**£40
WEEKLY
WEEKEND
WEEKDAY**

**VODAFONE
centre**

MASSIVE CHOICE, BEST QUALITY, WIDEST COVERAGE

More than 100 branches nationwide, for your nearest centre call

0500 33 55 77

Offer ends 31st December 1995. This offer is subject to stock availability and a standard airtime agreement connected to the Vodafone Centre or Personal World local offices. Offers are subject to limited availability and rates available in-store and online. Offers can only be used in conjunction with the purchase of a Vodafone from a participating Vodafone Centre. Please bring two proofs of identity.

INDEPENDENT

FOUNDED 1986

ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL
TELEPHONE 0171-293 2000/0171-345 2000 FAX 0171-293 2435/0171-345 2435

EDITOR: Charles Wilson

DEPUTY EDITOR: Martin Jacques MANAGING EDITOR: Cain Hughes
SECTION TWO EDITOR: Charles Leadbeater SATURDAY EDITOR: David Robson
EXECUTIVE NEWS EDITOR: Michael Williams ASSISTANT EDITOR: Simon KelnerNEWSPAPER PUBLISHING PLC, BOARD OF DIRECTORS:
Liam Healy (Chairman) · Sir Gordon Borrie · Ben Bradlee · Juan Luis Cebrian · Brendan Hopkins
David Montgomery · Javier Diaz de Polanco · Cornel Riklin · Andrew Whittam Smith
ADVERTISING DIRECTOR: Jeremy Reed

Who should judge the journalists?

Few weep when newspapers have to pay huge libel damages. The general public pictures a rich proprietor with deep pockets abusing an underdog. Juries relish the chance to exact an expensive revenge: it is fortunate for some reporters that hanging is not an option.

In this atmosphere of common contempt, particularly for tabloid journalistic techniques, libel awards – the only civil damages controlled by juries – have come to bear little or no relation to the much smaller sums usually won by victims of other wrongs.

The family of 12-year-old Tim Parry, killed in 1993 by an IRA bomb in Warrington, was awarded just £7,500 for his loss by the Criminal Injuries Compensation Board. This compared with £350,000 damages awarded to Elton John for an article in the *Sunday Mirror* which falsely claimed that he suffered from the eating disorder bulimia nervosa.

The inflated level of damages also acts as a muzzle on the press. Small publications face the danger of going out of business on the basis of a single lost court case. The *New Statesman* and *Private Eye* both narrowly escaped closure after such cases.

At last, this week, the courts stepped in to bring some sanity and rationality into the system of civil damages. On Tuesday, Sir Thomas Bingham, Master of the Rolls, drastically reduced Elton John's award to £75,000. More significantly, he ruled that juries should be informed of typical awards for accident victims, so that the size of libel damages can be kept in proportion. In future, a judge may, for

example, point out that a paraplegic gets a maximum of £125,000 for the injury.

This move is a welcome step towards making juries more realistic in the sums they extract from guilty media. But it may not work. Judges have tried in the past to reduce jury generosity to plaintiffs. Reforms have entitled Appeal Court judges to cut awards. It is already routine for trial judges to offer vague guidance on what a jury might consider appropriate compensation for an offence. None of these measures has had any perceivable effect on libel juries, which have continued to dispense cash in telephone number amounts.

So what happens if Sir Thomas Bingham's initiative cuts no ice with juries and they continue to award millions? Some might then call for the complete abolition of jury awards, suggesting that, while the jury should adjudicate on matters of guilt, punishment ought to be left to the judiciary. This change would, no doubt, lead to a drastic cut in libel damages.

But it would be a mistake. Ordinary people should have a say on how to compensate those wounded by words. It is a right that may need some circumscribing: if juries continue to make excessive awards, a cap might have to be set on what they can give away. But assessing a reputation – and the damage done to it by defamation – is best done by a person's peers. It would be a bad day for British justice if readers, listeners and viewers no longer sat in judgment on and set the punishments for errant journalists.

Cleaning out the Korean stables

It could prove to be a historic, cleansing storm. In South Korea, events in recent weeks have had the manic quality of an improbably action-packed TV mini-series. Not one but two former presidents are simultaneously on the rack – and many of the country's top businessmen are implicated in the scandals, too.

Ex-president Roh Tae Woo confessed last month to having amassed \$650m for a slush fund, of which almost a third, according to his own admission, went into his own pocket. He is now behind bars.

Ex-president Chun Doo Hwan, meanwhile, who seized power in a military coup 15 years ago this week, has found that his past has caught up with him, too. He has been arrested in connection with the massacre of students in the southern city of Kwangju in 1980, in which at least 200 people died.

The case of Mr Chun is almost straightforward. The brutal crackdown – Tiananmen, but without the same international outrage – had left a gaping wound which has never properly healed. The case of Mr Roh is more ambiguous. First, there was the embarrassing fact that President Kim himself was helped into power courtesy of Mr Roh. Second, the corruption allegedly involved some of South Korea's biggest and most successful companies, including Hyundai and Daewoo.

President Kim had repeatedly insisted: "Let history be the judge." Now he has suddenly performed a remarkable turnaround, pressing for a clean-out of the Korean stables – a turnaround which has left Koreans curious but not always enthusiastic. Mr Kim himself said yesterday that he was forced to move because the corruption had been "beyond the whole story."

Caution is still needed. The whole Korean hullabaloo might vanish, almost as suddenly as it began. But the lessons from elsewhere in the world seem to be that expectations, once aroused, are difficult to dampen down. Even the bosses of the *chaebols*, South Korea's industrial giants, themselves now insist that they, too, want to do a cleaner kind of business, instead of paying a kind of informal corruption tax.

It is still unclear whether South Korea's apparent new determination to clean up its act is a serious change of tack or merely a pre-election blip which will leave corruption shaken but not stirred. None the less there are reasonable grounds for optimism that the country is hesitantly embarking on the next stage of its democratisation.

Your chance to pick a personality to forget

Yes, it's coming to the end of 1995, so it is time to vote in our annual, alternative Non-Personality of the Year contest again. All you have to do is vote for the person who you think has contributed most to making 1995 a year you would rather forget about.

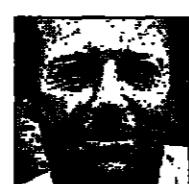
So, obviously that leaves out Nelson Mandela, but still leaves in everyone else – Will Cartling, the Princess of Wales, Richard Branson, John Major, the entire government of Nigeria and many other excellent candidates.

Previous winners, don't forget, have included Jeffrey Archer, Peter Mayle, Paul Gascoigne and Virginia Bottomley, so do not vote for them again this year – unless you feel particularly vindictive.

Here is a list of this year's leading candidates, with a brief résumé of their qualities to give you an idea of the kind of person we are hoping to make our Non-Personality of the Year.

Brian Mawhinney

The Vinme Jones of politics. The hard man of the right. The Norman Tebbit *de nos jours*. The player the Tories send on to cripple the opposition. The man who appears on the media at the first sign of adult political argument to put a stop to it. He likes to call himself doctor, so that at



MILES KINGTON

scenes of accidents he can barge his way through, shouting, "Let me through, I'm the chairman of the Tory Party!" and trample the injured person to death. The man who, many Tories fear, will lead to another Tory election victory if not stopped.

John Lennon

People who say that Paul McCartney was the soft, wimpish one of the Beatles obviously never listened to any of the stuff that Lennon recorded in his last dozen years. Nor did they listen to the Beatles' new single, which was a heartless posthumous practical joke played by the three survivors on Lennon, though not very funny in any other way.

The Pope

If the definition of a dirty old man is a rather sad and lonely figure with an

overwhelming interest in other people's sex lives and an urge to interfere in them, then the Pope is the ultimate dirty old man. He is the head of the Roman Catholic Church, a quaint old-fashioned religious organisation in which priests cannot marry but are allowed to interfere with little children.

Lord Lucan

The longest-running aristocrat on the run. Or not, as the case may be.

Nick Lesson

Lesson is well in the running for the Businessman of the Year award on the grounds that he took on and bankrupted his own bank, which is a thing all of us from time to time have longed to do and none of us has ever managed.

Ian Paisley

The not-for-evil that he once was, but still a potent reminder that you do not have to be Iranian to be a power-hungry ayatollah. In 1978, Dervla Murphy described (in her book on Northern Ireland, *A Place Apart*) how she attended a service given by Paisley in Belfast and how, after an hour and a half of listening to "this demented figure", she left the church and "knew I had been in the presence of pure evil". No one has ever quite replaced Paisley on this Satanic level.

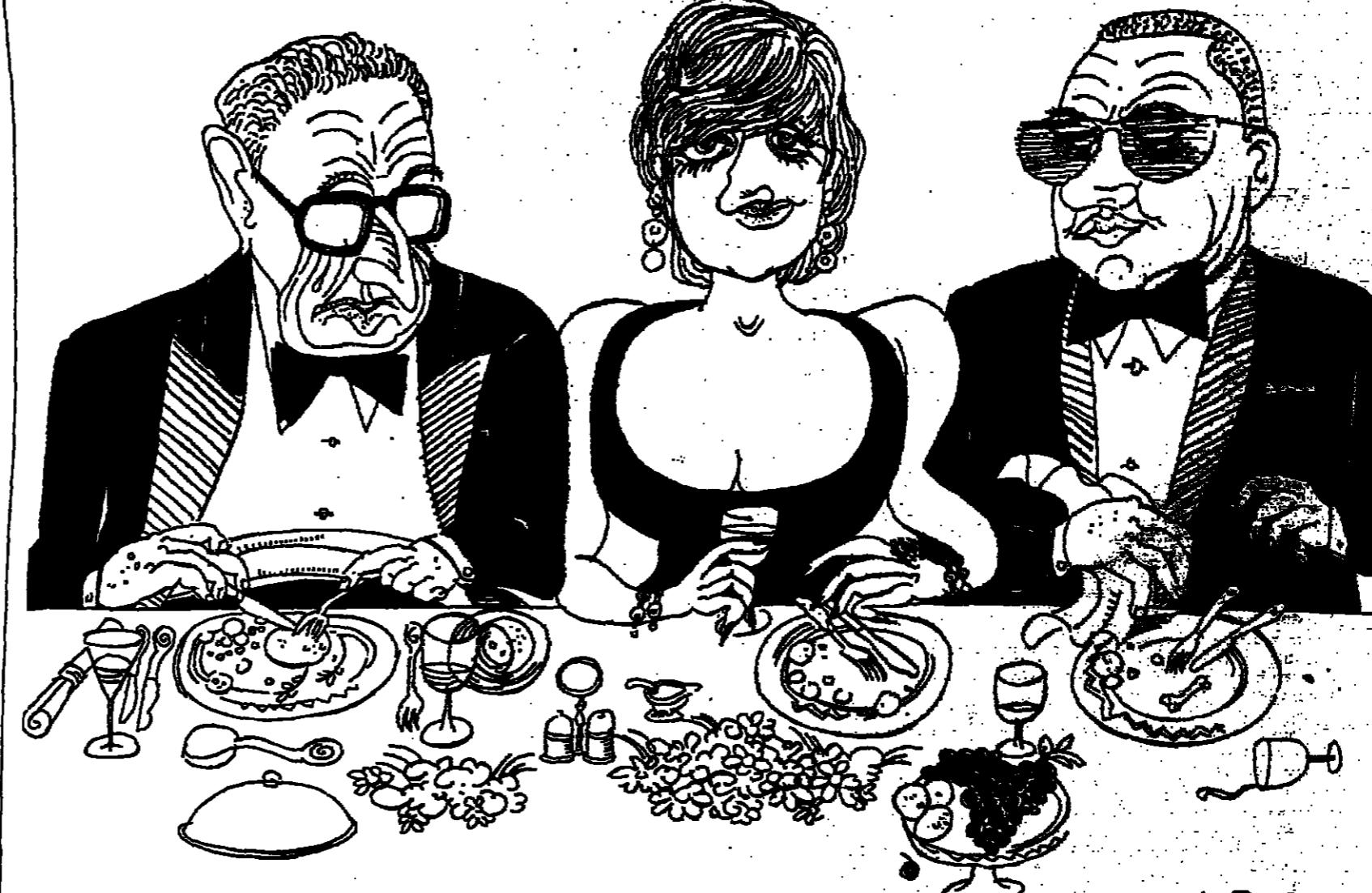
Eddie Izzard

Izzard once said that he would not go on TV and do his jokes. Now he is on TV chat shows all the time, but all credit to him – he has kept to his word and never does any of his jokes.

Duncan Ferguson

This is the Everton footballer who was sent to prison for striking an opponent and thus messed up the whole Fantasy Football season, because no one knew how well he was performing for the prison team and if he was scoring any goals.

Is there anyone YOU would like to nominate for Non-Personality of the Year? Just let us know on a postcard (only use e-mail if you are nominating Bill Gates).

Diana, chaste temptress, cruel hunter, Goddess of the Moon (with apologies to Ben Jonson, *Hymn to Diana*)

LETTERS TO THE EDITOR

Tony Blair's ideology has little to do with the Labour Party

From Mr Jim Denham

Sir: Donald Macintyre ("How to revive top-quality democracy", 12 December) tells us that Tony Blair is frustrated that he has not been given credit for shaping what he (Blair) sees as "a new, coherent, three-sided ideology" for Labour.

What is this exciting new triangular ideology? Apparently it consists of (1) equipping business for "massive technological change"; (2) a "one nation" approach to social policy and (3) a "new politics" which seems to boil down to increasing the powers of local government and making Prime Minister's Question Time less confrontational.

Under the Blair plan, many more local authorities would be dominated by a highly personalised leadership. Yet Mr Blair has made it clear that he will only allow such leadership to remain in place if it conforms strictly to national Labour Party policy.

It is hard to believe that the policy represents any new philosophical commitment to local democracy. Ultimately, Labour must face up to the fact that local democracy is not meant to offer maximum convenience to prime ministers – or leaders of the

It is intended to offer local government an effective means of governing their own affairs in a way that is truly accessible and accountable. This is a simple point, but it does not fit with Mr Blair's vision of a presidential Britain where he and his elite band of disciples pull all the strings of power.

Yours sincerely,

DAVID RENDEL
MP for Newbury (Lib Dem)
House of Commons
London, SW1

12 December

From Mr Jonathan O'Neill

Sir: Referring to Richard Branson's interview with Tony Blair (12 December), it is not helpful wondering who will be expected to foot the bill for new Labour's new Britain. Mr Blair

says he wants to "equip people and business for massive global and technological change" without resorting to the old left's policy of "limitless expansion of public spending and rights with out responsibilities".

In other words, the new Britain we can look forward to is one where welfare spending will be cut under the auspices of "individual responsibility". Blair provides an accountant's view of the welfare state: it is too expen-

Totting up the tipplers

From Dr Chris Cook

Sir: What will the Government now do about its Health of the Nation target to reduce the number of men and women drinking more than the sensible limits of alcohol? Their targets, based on the old recommendations, which most doctors still uphold, were less than one in six men, and less than one in 18 women drinking more than the recommended amounts by 2005. Until yesterday, the evidence was that they had made no progress towards this end.

The OPCS Health Survey for England 1993 (published by HMSO in 1995) showed 30 per cent of men drinking more than 21 units per week, and 13 per cent of women drinking more than 14 units per week. Published data do not show corresponding figures for the new limits, which correspond to weekly totals of 28 and 21 units respectively. However, the survey did show 13 per cent of men drinking more than 35 units per week, and 4 per cent of women drinking more than 25 units per week.

Extrapolating from these figures, we might estimate that about 23 per cent of men (one in four) and 7 per cent of women (one in 14) are drinking over the new limits. In other words, by moving the goal posts the Government has at a stroke virtually achieved its targets for women, and has gone a long way towards achieving them for men. A great success – despite absolutely no change in the nation's drinking!

Presumably, the Government could maintain the old limits as targets for Health of the Nation. This would seem contradictory, to say the least. Assuming that it moves to the new limits, it is in effect saying that the present levels of alcohol consumption within the population are already close to acceptable. This is despite an estimated 40,000 alcohol-related deaths in this country each year, and an estimated 100 to the nation of 22,500 per year attributable to alcohol-related problems. Of course, the financial cost is easily offset by the revenue received through excise duties via taxation. It is hard to avoid the conclusion that the Health of the Nation was not an important consideration in this matter.

Yours sincerely,
CHRIS COOK

Consultant and Senior Lecturer

National Addiction Centre and

Maudsley Hospital

London, SE5

13 December

A place for stowaways

From Mr R. G. Milburn

Sir: I was shocked, but not surprised, by Raymond Whitaker's article "Life terms for the stowaway massacre" (11 December). During June and July this year, I travelled as a passenger on the container ship *Continent Atlantic* from Felixstowe to Karachi.

At that time the ship also had a stowaway, from a container, on board. He had travelled from Karachi to Bombay, Eritrea, Hamburg, Antwerp and back to Karachi again. A journey of some 65 days' duration. Due to the integrity of the German officers he had been well treated, if confined.

I observed his treatment by a multiplicity of bureaucrats on the way. He was interviewed, photographed and even finger-printed, but no one permitted him to land. The only practical care he received on shore was from the Felixstowe Seafarers' Centre, which clothed him. The crew were anticipating a passenger for me!

Political and economic migrants will not disappear just because we wish it. The only long-term solution is to make life more worthwhile for them at home.

Meanwhile, we need to develop a protection mechanism for our seafarers. Nine stowaways can be a real hazard on a ship that might only have two crew on duty at certain times of the day. Might I suggest that we develop an automatic right of landing stowaways at the vessel's next port of call, followed by repatriation to their port of embarkation at the expense of that government. At least the problem can then be returned to where it belongs – political debate – rather than providing continuing dangers to the lives of sailors and even to the lives of stowaways.

Sensible is summer pudding. Cleaning the teeth, it prepares the palate for cheese, bringing with it the promise of summer to come – royally poetic. And brandy butter with the cream: gods!

Yours etc,

PATRICK HODGKINSON

Bath

10 December

Pork for the chop

From Mr Julian Morris

Sir: If I were in the meat trade, I think I would be pleased to take a long Christmas break. From Friday, pork sales will probably dip more than BSE beef due to the UK release of the film *Boe*, an irresistible tale of a polite young porker's efforts to stay off the Christmas lunch table. After I saw the film in August, in the hyper-cautious US, pork sales reportedly dropped by 20 per cent.

Yours,

JULIAN MORRIS

Appleton, Oxfordshire

Letters should be addressed to Letters to the Editor, and include a daytime telephone number. (For 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

comment

In the firmament, winners take all

A global 'star system' is developing, in which pay differentials are wider than ever. But there is a downside

It has been a good week for society's winners in the worlds of pop music, finance and sport. This year's list of top earners among the British pop stars had Phil Collins making £24.3m, Elton John £12.7m and Eric Clapton £9.9m. It was bonus time in the City, with 29 of the London staff at the US investment bankers Goldman Sachs collecting about £1m apiece on top of their salaries. And NBC, the American television group, signed a deal paying \$2.5bn for the US Olympic television rights till 2008 - a sum which demonstrates the pulling power in world media of Olympic athletes, which will eventually be reflected in fees paid subsequently to the most

There is a common thread here. These three diverse fields of human endeavour have all seen an astonishing widening of pay differentials during the past 20 years. The gap between the competent but unextraordinary performer and the tiny handful of stars has never been greater.

The entertainment, finance and sports businesses have long rewarded their stars generously. Indeed, I have written here about the Pavarotti factor: the handful of people who are so outstandingly talented that they are able to command vastly more than the next rank of performer.

But now they are being joined by a second group, of people who are simply highly skilled in various activities and who have managed to pro-

pel themselves to star status. Look at any professional activity – the law, management, medicine, education – and the tendency is for people who are seen as exceptional to earn a great deal more than those who are perceived as less good.

The usual explanation is to see this process in political terms: we have become a greedy society, with greater rewards to "fat cats" – a trend encouraged by the free-market right, which has been the dominant political force of the last 15 years in both the US and Britain.

But the "star system" phenomenon is too widespread for this political explanation to be fully credible. The driving force is economic: seismic changes are taking place in the world economy which mean that the "best" people (in the sense that the market deems them to be best) are capturing an ever larger share of the earnings

UK. So it would be wrong to take their analysis and transfer it undiluted to Britain. Nevertheless they are on to something important. We are subject to the same forces and many of our stars sell to the world market in the same way as top Americans.

There seem to me to be three quite separate forces at work which the authors note but do not clearly differentiate. First, an ever more complex world economy genuinely does need greater and greater skills in its workforce. Second is the combined effect of technology and the international media, which has both created a global demand for "stars" and made it possible for those stars to deliver their product to a world market. And third, large social changes have produced a society in which distribution of the spoils has become more important than the generation of wealth.

What is wrong with this? There is surely nothing wrong with highly skilled people being highly rewarded



HAMISH MCRAE

for their work. We need, as far as is possible, to train and encourage more such people. There is surely nothing wrong with the creation of stars if those stars give pleasure to millions, as stars of entertainment and sport do. So why would the authors of *The Winner-Take-All Society* warn of "disastrous social consequences"?

One reason is that it distorts people's aspirations. Too many people are sucked into an attempt to reach stardom, despite the fact that mathematically the vast majority will fail and will end up miserable as a result.

Another is that a society which places more and more emphasis on the division of the spoils, rather than the creation of wealth, simply inflates the pay of the ever-spreading constellation of "stars".

This applies, particularly, not to the outstandingly talented, but to the highly skilled. Consider a court case. The winner does usually take all. So it is worth paying any amount to obtain the best barrister rather than the second best, because the best will win. Hence the extraordinary escalation of legal costs taking place throughout the world.

Similarly, the cost of takeover battles, with the enormous fees paid to investment bankers and other advisers, might be seen as an example of "winner" fees for an activity which in the short-term at least, does not increase, but merely redistributes

wealth. Pop stars give pleasure, but do lawyers and takeover specialists?

The star system is well-developed in American education, where the handful of world-class universities and business schools are paying very high salaries to attract star lecturers who will underwrite their brand name. The result is that the overall cost of higher education in the US has rocketed, as increased costs have to be passed on to students in fees.

It is a million miles from explaining a phenomenon to justifying it, and still further from explaining to developing ways of countering such a powerful force.

There are some things that can be done: the most obvious is to improve the supply of highly skilled people. We cannot readily increase the supply of Pavarottis, but we can do something about the supply of skilled professionals in all walks of life. Government does have a role.

But if the principal driver of the winner-takes-all phenomenon is global economic trends rather than domestic political ideologies, it becomes clear that politicians can do relatively little to intervene.

Maybe in the end the answer is in our own hands: we should place a far greater value on individuality – the wonderful cultural and intellectual variety of the world – not the mass-produced and globally consumed "celebrity" upon which we have allowed ourselves to become hooked.

Will Bosnia become Beirut?

Lebanon will not be mentioned at the Bosnia peace ceremony in Paris today. You do not mention disaster when you want to project hope. But Beirut lies like a curse over the West's forthcoming involvement in Bosnia. Radovan Karadžić, the Bosnian Serb leader, understood this when he ingratiatingly warned the Americans that Sarajevo could become "another Beirut".

And the chilling memory of the 241 American servicemen slaughtered by a Muslim suicide truck bomber at the US Marine base in Beirut in 1983 sent US negotiator Richard Holbrooke back to Sarajevo to ask Alija Izetbegović to order Arab fighters out of his country. The Bosnian president rather optimistically gave them 30 days to leave.

In Beirut, where the bloodbath in Bosnia has been watched on television with both horror and the condescension of shared guilt, the Lebanese did not know whether to laugh or cry. Wasn't Sarajevo already worse than Beirut? In 15 years of civil war and "ethnic cleansing" in Lebanon, 150,000 men, women and children were killed. In just four years of war in the former Yugoslavia, about 200,000 have died.

But the parallels should be troubling the most powerful force in Nato. Back in 1982, the American Marines arrived in Beirut at the head of an all-Nato force of French and Italian troops and – later – 100 British soldiers. They came, they said, to protect the Palestinians after the massacre at the Sabra and Chatila camps by Israel's Christian Lebanese allies. In 1982, Washington believed it had secured the agreement of both Syria and Israel to withdraw their armies from the country. The Americans were told that local militias would be disarmed and "foreign fighters" would be expelled. They promised to re-arm the government army.

Just like Bosnia. Most frightening of all parallels is the American failure to plot an escape route. The Marine presence in Beirut – only 2,000 strong – was open-ended, while the Nato deployment, with 20,000 US troops, is limited to just a year. But the American failure to bring peace to Lebanon forced the Marines to stay longer – until they became so deeply involved in the civil war that they were themselves attacked by that lonely, smiling suicide bomber.

Can Nato really pull out of Bosnia if it fails, if the war re-ignites, or if those ambiguous, frighteningly complex paragraphs of the Dayton agreement prove too difficult for its troops to put into practice? The US failure in Lebanon forced President Reagan to search for new policy interests in the region; will the current US administration have to find new goals in the Balkans if it faces humiliation there?

The Americans also have a habit of declaring their desire to assist one political group or ethnic community while ending up supporting another. The Marine deployment in Beirut



ROBERT FISK

are relying on their Croat friends to hold the Bosnian federation together; which is why the US ambassador to Zagreb denied that the Croats had "ethnically cleansed" 200,000 Serbs out of Krajina last summer – even when the Croats were driving the Serbs out, murdering elderly survivors and burning every village. The Muslim-Croat alliance in Bosnia may look good on paper, but it is as brittle as gold leaf.

And if the Croats grow tired of Izetbegović's puppet show in Sarajevo, they can turn out the lights. What will the Bosnian Muslims do when they realise that the American peace is founded on the good offices of their two enemies, the Croats and the Serbs?

In Beirut, 15 years of winter storms have bathed the scorched ruins of the US Marine base, but the burnmarks can still be seen on the concrete, the faded signs for drinks in the Marine mess still visible behind the long, wet grass and rubble. Somehow, they seem more powerfully symbolic today than they have for many years. The Lebanese discovered the price of civil war – just as the Bosnians will now discover it: that their future is decided not by themselves but by outside powers. And the outside powers must reckon with the fury of those they came to help if their promises turn to dust.

General Grade's trench war

This week's spat between Channel 4 and ITV is about more than quality, says Thomas Sutcliffe

When Michael Grade arrived in his new office at Channel 4's headquarters in 1988, he did so with a threat ringing in his ears: "I am handing on to you a sacred trust." Jeremy Isaacs had warned him when the two met in a corridor: "If you screw it up, if you betray it, I'll come back and throttle you."

To date Grade remains unthrottled, which may simply be because Isaacs is too busy running the Royal Opera House to watch much television. But it seems there are plenty of others who would be happy to carry out his threat. For almost two years, ITV and C4 have been fighting a trench war over their funding arrangements. Grade argues that it is absurd and unfair for C4, notionally a minority channel, to renounce money to ITV (the result of a deal struck when C4 was allowed to

ITV used a blizzard of statistics and selective accounts of C4's schedules

sell its own advertising. Half of all revenue over a certain threshold figure goes to ITV companies, in return for a guarantee against failure. The failure never came and this year C4 paid ITV £74m.

ITV, well dug in behind contractual ramparts, replies that Grade did not object when the deal was agreed and besides, it needs the money to support the public service element of its own output. The row that broke out this week about whether C4 is meeting its original brief is simply a new front in an old war, a strategic thrust at what ITV perceives to be a weak part of the front.

The barrage was opened by Steve Morrison, managing director of LWT, who argued that Grade had abandoned C4's distinctive public service remit. He made his case with a blizzard of statistics and some highly selective accounts of the schedules. His account of Sunday evening, for example, turns out to be curiously myopic and offers a useful example of how reliable such arguments can be. He concedes that Channel 4's *Equinox*, broadcast at 7pm, is excellent. But "what happened as the channels moved out of peak time at 10.30pm? On LWT you could have seen news and then arts C4's contribution to being distinctive? A thriller movie starring Val Kilmer and Joanne Whalley-Kilmer?" This was, in fact, a low budget film noir, part of a perfectly respectable series that C4 had been running.

Morrison also neglects to mention



Fighting fund: Channel 4 has been disputing its financing with ITV for two years
Photograph: Jane Baker

what happened in peak time. While LWT was broadcasting *The Beatles Anthology* and *London's Burning*, C4 offered viewers *Soviet Echoes*, part of a distinguished series about classical music under Communism, and *The Last Europeans*, the final episode of a three-part history of Britain's relations with Europe. If Grade is really moving in on ITV's mainstream audiences, he seems to be losing his old touch.

The truth is, of course, that lamentations over the death of C4 are premature, and the tears are distinctly crocodile. It is undoubtedly true that Grade has changed the nature of the channel. There are many small film-making collectives on whom the irrigating funds no longer fall, many independent film-makers who find it impossible to pursue their private (and often surprisingly productive)

obsessions. The channel is less eclectic, less humpy, less downright weird than it used to be. It is hard to imagine seeing now one of the programmes broadcast in its first year: an airmail letter from New Zealand feminists that was solemnly read aloud as the camera panned down the writing paper. Even defenders of Grade sense the change of temperature. "It doesn't have the passion about experiment that it used to have," says Anthony Smith, one of the founding fathers of the channel, "but I certainly don't think the ideal has been betrayed."

Some of the serious programmes, however, are marred by an addiction to marketable controversy. *Secret Lives* does not match BBC2's *Timewatch* in its editorial rigour or scale; *Without Walls* is capable of fiftieth brilliance but, as Melvyn Bragg pointed out in a fol-

low-up bombardment, it hardly constitutes lavish commitment to the arts.

It is true, too, that Grade's instincts are essentially commercial. It is hardly surprising that ITV executives, already nervous about the potential effect of Channel 5 on their revenues, should fidget with their calculators when Grade describes their network as C4's "dominant commercial competitor" (my italics). That is not the language of someone who thinks naturally of complementarity or of a humble subsidiary role. One reason Grade's ITV adversaries are so rattled is because he has transformed the later part of his schedules, replacing discussion programmes with popular US imports

market to do so. The day on which the C4 schedule included snooker, *The Monsters, Brokside*, a sit-com called *Rude Health* and *Hill Street Blues* does not provide evidence of Grade's baleful hand – they were broadcast on 4 January 1988, the day he arrived. As one independent producer points out: "It's not that the downmarket stuff wasn't always in the schedules to begin with – it's just that Michael's doing it more successfully."

Nor is it easy to equate more recent schedules with a programme of relentless commercialism. The "Battered Britain" season, a recent examination of the nation's social health, gave an amount of time to unparalleled, "unsexy" material which (perhaps rightly) would have been unthinkable on any other channel. This week's programming has included consumer series about finance and education, programmes about disability, documentary strands such as *Dispatches* and *Secret Lives*. Paul Watson's film about a Liverpool factory and a series of short films about distinctive churches. Though American programming has increased greatly, it is arguable that C4's purpose of sit-coms such as *Prastie* and *Rosanne* has done much to improve television culture in the field of comedy.

In short, Grade's C4 is still a long way from being ITV by other means. But it is no longer the amateur channel which, in the finest sense, it was under Isaacs. That may be why the professionals are so bad-tempered.

When Isaacs opposed the choice of his successor in 1988, he put the case

that Grade had replaced C4's late-night discussion

programmes with popular US imports

Good-bye battery



Seiko Kinetic®. The first and only quartz watch that generates its own energy from your every movement. The perpetual accuracy of quartz – naturally, without a battery. Its tiny powerhouse converts even your slightest movement into electrical impulses. Ecologically sound and ultimately reliable. Seiko Kinetic is so efficient that you only need to wear it for one day to ensure enough energy reserves to last at least a week. Wear it continually and it will never let you down. It's built to last. Someday all watches will be made this way.

SEIKO
KINETIC

ANOTHER VIEW Martin Mears

Sound legal advice does not come cheap

At its meeting today, the Law Society Council will be asked to approve a minimum recommended fee scale for conveyancing – a change that has been quite controversial. Solicitors would be free to charge below the recommended rate but, if they did, the transaction would not be covered by the Solicitor's Indemnity Fund and they would have to arrange their own insurance.

The proposals need the consent of the Master of the Rolls who would have to be convinced they were in the public interest. The consumerist orthodoxy, of course, is that cheapest is always best. But the fallacy of this

position is obvious. No one employs an electrician or a dentist on price alone. People look for a quality service at a reasonable charge. They also do this when they employ a solicitor, but with one exception. A conveyancing solicitor is regarded as supplying a package. And provided that the package is delivered (ie, a set of keys or a cheque on completion day), that is all that is required.

But what if the solicitor charges so little that he is unable to devote proper time to the transaction or to employ competent staff. What if, say, he fails to make proper searches so that the purchaser finds his prop-

sition cannot yet be known as most mistakes made in the course of conveyancing transactions do not emerge until years later.

As the public perception of solicitors as fat cats remains. The opposite is the truth. Recent Law Society figures show that 25 per cent of sole practitioners earn less than £10,000 per annum and 25 per cent of solicitors in small firms (partners numbering four or under) earn less than a senior school teacher. A recent Coopers and Lybrand report estimates that, within the next five years, 20 to 25 per cent of firms will disappear.

It is not as though conveyancing fees were high. In 1993, the Woolwich Building Society survey found that our conveyancing fees were the cheapest in western Europe.

The British public is used to a high standard of service from all its professions. But the public cannot have professions that are skilled, efficient and incorruptible, and also have them cheap. Still less can it reasonably demand that an ill-paid profession should pick up the bill for all its aberrant members.

The writer is president of the Law Society

20 business

INDEPENDENT • Thursday 14 December 1995

BUSINESS NEWS DESK: tel 0171-293 2530 fax 0171-293 2093

Mixed reception: Chancellor emerges undoubted winner in battle with Governor of Bank of England □ City divided on scale of the reduction

UK paves way for world-wide fall in interest rates

PAUL WALLACE
Economics Editor

Interest rates were last night set to fall around the world. Following Britain's quarter-point fall to 6.5 per cent, Germany is expected to shave rates today and New York markets are already pricing in a rate cut.

Wall Street surged late yesterday, sending the Dow Jones Industrial Average index up by 5.200 to record levels.

In the UK, Kenneth Clarke's decision to cut rates brought to an abrupt end the shortest and shallowest interest rate cycle in recent history.

The decision to cut rates by only a quarter point disappointed industry and commerce, but signalled further cuts to come in the new year.

Britain's markets showed muted enthusiasm: gilt yields fractionally stronger, and sterling strengthened from 82.8 to 83 on the trade-weighted exchange rate index.

In the short sterling contract used by the City to bet on interest rate changes, there was a further hardening in expectations that further rate cuts were on the way. By the end of the day, it was implying base rates of 6 per cent by June.

City economists were divided about the move. Steven Bell, chief economist at Deutsche Morgan Grenfell, said the cut was the right decision because conducting monetary policy was like peering into the fog - "you're less likely to fall into traps if you take small steps."

However, Roger Bootle, chief economist at HSBC Markets, said the decision to cut by a "mildly" quarter of a point was both timid and dangerous, given the ebbing away of con-

fidence in the real economy. There was an equally sharp clash of views over whether the united front presented by Mr Clarke and Eddie George over the decision had restored the credibility of the present monetary arrangements in which the Bank has been given more influence in the shaping of interest rate policy.

The extended stand-off over the summer between the Bank's call for higher rates and the Chancellor's refusal to sanction it had threatened to bring the new system into dispute.

Mr Bell said that the cut had more credibility because Mr George had recommended it. However, Mr Bootle voiced his suspicion that "there was probably a negotiation before the meeting with Mr George proposed any cut and Clarke wanting a half per cent, with the quarter point cut emerging as a compromise".

Despite this mixed reception to the cut in rates, one thing is clear: it marks an extraordinary turnaround in expectations. The day after the Bank of England lifted rates last December from 5.75 to 6.25 per cent, the City consensus was that rates had

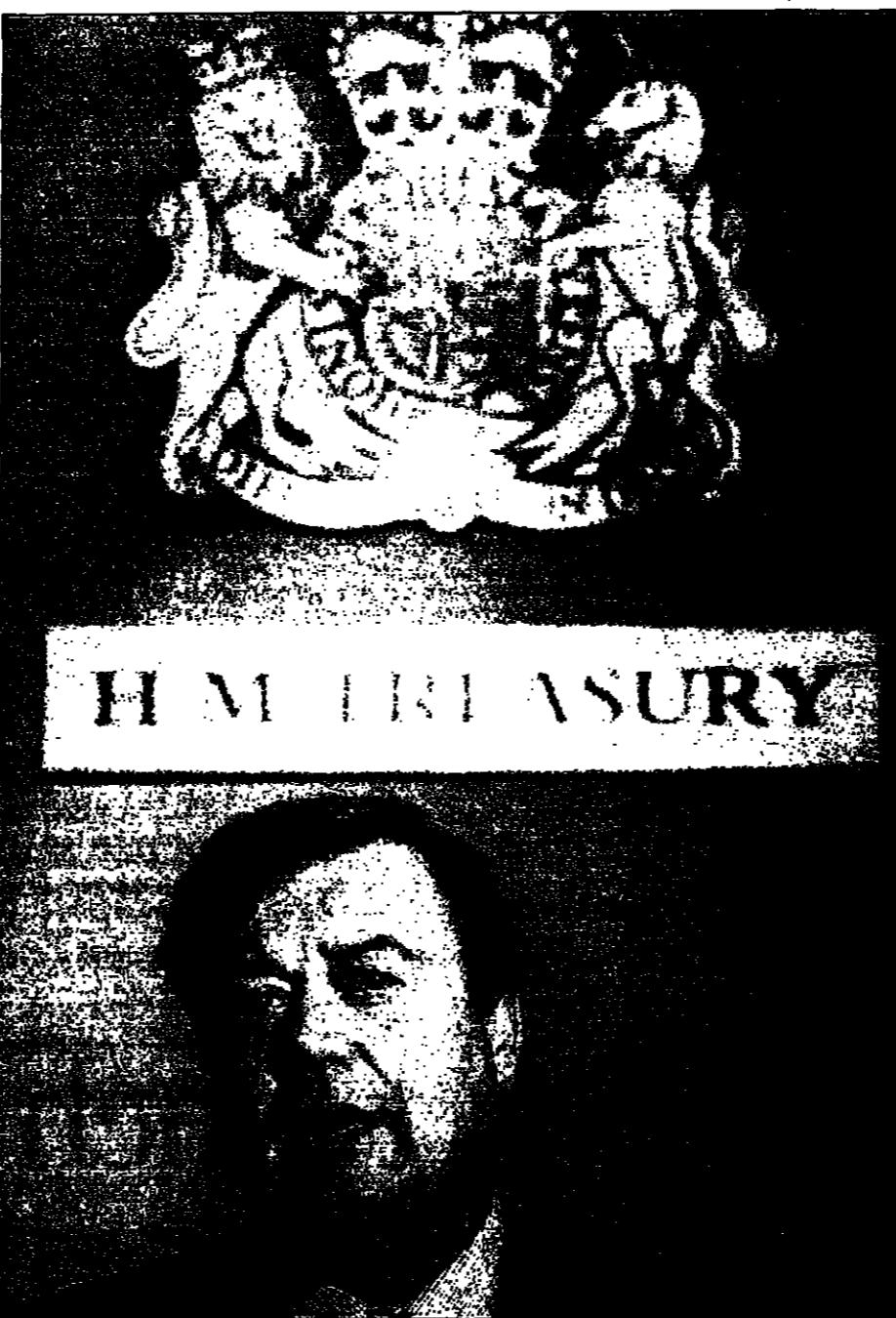
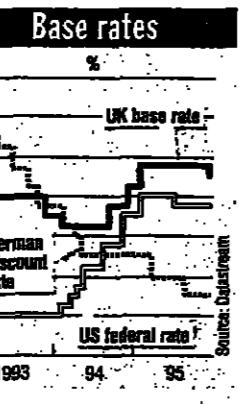
much further to go in 1995 - to 8 per cent by June and almost 9 per cent by December. With the economy growing at 4 per cent in 1994 and Britain's sorry track record in curbing inflation, a sustained tightening in monetary policy seemed inevitable.

In the event, rates peaked after one further rise to 6.75 per cent in February. Yesterday's cut in rates acknowledged the reality that growth had slowed much more than had been expected - and that inflation has not accelerated out of control as had widely been feared.

In between came the epic struggle between Mr George and Mr Clarke over the call by the Governor of the Bank of England for a further hike in rates in May. Apparently as much to the surprise of his own Treasury officials as to the Bank, Mr Clarke unexpectedly overrode Mr George's recommendations that a further jump in rates was needed to offset the inflationary effects of the 5 per cent fall in the pound in the first half of the year.

The Chancellor undoubtedly emerged the winner in this first trial of strength under the new monetary arrangements that had given the Bank more influence in the shaping of interest rate policy. But he came out on top principally because the economic indicators went his way rather than the Governor's.

Growth, which had initially been thought to be running at 0.8 per cent in the first quarter of the year, equivalent to an annual rate above trend, was revised down to 0.6 per cent. Still more worrying, the expansion of the non-oil economy in the third quarter of 1995 slowed still further to just 0.3 per cent, well under half the underlying rate



Vindicated: Kenneth Clarke at the Treasury yesterday after announcing a quarter-point fall in rates

Photograph: Edward Sykes

fall of growth in the Treasury now thinks the economy can sustain.

Back in May, the Bank's central forecast for inflation targeted by the Government - retail prices excluding mortgage interest payments - was that it would peak at almost 4 per cent early next year and that it would

be at 3 per cent at the beginning of 1997. In November, the Bank still cautioned that inflation would be just over the Government's target of 2.5 per cent or less in two years.

"Our view has changed," Mr George told a press conference after the decision to cut rates.

Today's figures for inflation will provide an early test of the credibility of the decision.

New information since the November report pointed to an improved outlook for inflation, such that the Bank now thought the Government would probably hit its inflation target.

Richard Brown, deputy director general of the British Chambers of Commerce, said the figures were nothing to get excited about. "The position in the high street remains relatively subdued. Much as we would like to see consumer confidence picking up, we are not seeing the beginning of a consumer boom."

The biggest factor behind November's advance in sales was a 2.7 per cent recovery in sales of clothing and footwear, probably

mainly due to the onset of normal winter weather after a mild October.

Sales of household goods and department store sales also improved in November. Sales at food stores were flat, and have fallen 0.9 per cent in the latest three months.

Ciaran Barr, an economist at Deutsche Morgan Grenfell, said this pattern probably reflected consumers' sensitivity to price increases. Food prices have been rising faster

Fall in unemployment and stronger retail sales raise hopes

The economy was surprisingly buoyant in November, figures on unemployment and retail sales suggested yesterday, writes Diane Coyle. Unemployment fell to its lowest level since May 1991. Retail sales volumes grew by more than expected after a lacklustre performance in recent months, although the underlying trend remained subdued.

However, there was no sign that falling unemployment has put pressure on wages. Economists ex-

pect the higher recent level of pay settlements to raise earnings growth before long, but underlying average earnings growth remained unchaged at 3.25 per cent in October, and in manufacturing was the lowest since the series began in 15 years ago.

City economists are optimistic about the retail price index due today - and available to the Chancellor and Governor yesterday. Kevin Darlington, an economist at Hoare

Govett, said: "The labour market is continuing to give the signals we would hope to see at this stage of the recovery."

The number claiming unemployment benefit fell by 22,400 to 2,244,500 - 734,000 below its peak in the recession. Unemployment was lower in all regions. Yesterday's labour market figures also provided other evidence of encouraging strength. The number of vacancies available at Jobcentres last month

reached its highest level since May 1990, while the number of new vacancies posted was a record.

There was an increase of 13,000 in employment in manufacturing industry in October, mainly in the food, drink and tobacco sector, after three successive monthly falls.

The number of manufacturing jobs was 55,000 higher than a year earlier.

Figures for the total workforce in employment showed a perplexing

fall of 22,000 in the three months to September. But as this was almost entirely due to a drop in self-employment, many economists expect that to be revised.

Last month brought an increase of 0.6 per cent in the volume of retail sales, the biggest rise by far since February. Taking the latest three months, a better guide to trends, the rise was only a modest 0.1 per cent compared with the previous three months.

Richard Brown, deputy director general of the British Chambers of Commerce, said the figures were nothing to get excited about. "The position in the high street remains relatively subdued. Much as we would like to see consumer confidence picking up, we are not seeing the beginning of a consumer boom."

The biggest factor behind November's advance in sales was a 2.7 per cent recovery in sales of clothing and footwear, probably

mainly due to the onset of normal winter weather after a mild October.

Sales of household goods and department store sales also improved in November. Sales at food stores were flat, and have fallen 0.9 per cent in the latest three months.

Ciaran Barr, an economist at Deutsche Morgan Grenfell, said this pattern probably reflected consumers' sensitivity to price increases. Food prices have been rising faster

Pearson reshuffle sets succession fight scene

NIGEL COPE

Pearson, the media group which owns the *Financial Times*, announced a boardroom reshuffle yesterday which paves the way for a three-way battle for the top job when the chief executive, Frank Barlow, retires.

The changes were announced together with a gloomy trading statement which knocked almost 10 per cent off Pearson shares. The company warned that this year's profits will be hit by heavier-than-expected restructuring charges and significant job losses. Analysts downgraded profits forecasts as the shares fell 49p to 667p.

Pearson has addressed the succession question by saying

that Mr Barlow will continue as chief executive until the annual meeting in May 1997. A successor will be announced then, the company said.

As the company is thought to favour an internal candidate, that puts three men in contention. One is John Makinson, managing director of the *Financial Times*, named yesterday as the group's new finance director. He will replace James Joll next April. Mr Joll, who is 59, will leave the board at the end of 1996.

Another candidate is Greg Dyke, the head of Pearson TV, who will be promoted to the main board in March. It is the first time Pearson has granted a boardroom seat to one of its

divisional chiefs. David Bell, who is chief executive of the *Financial Times* group, will also join the board in March and is a possible heir-apparent.

The changes were welcomed in the City, which has been looking for fresh blood on the Pearson board. Pearson said yesterday that its re-organisation costs would cost around £45m instead of the £12m previously expected. The company has already made significant redundancies at Westminster Press and at the *Financial Times*, where the Isle of Dogs printing plant was closed.

It is now spending a further £32m cutting backroom office costs, which will require further redundancies.

Hobson agrees £121m bid from Hillsdown

JOHN SHEPHERD

Andrew Regan will today celebrate his 30th birthday as a self-made multi-millionaire after agreeing yesterday to a £121m bid from Hillsdown Holdings for Hobson, the company he has transformed in just two years from being a supplier of condensers to Nigeria into a food manufacturing business.

He owns 10 million shares and has options at 27p each on a further 3 million. Hillsdown's cash offer is pitched at 31p a share, tipping a total of £3.22m into his bank account before the customary letter from Her Majesty's Inspector of Taxes lands on the doormat.

Mr Regan, chief executive

and son of Bill Regan, the company doctor drafted into Spring Ram, is also on a two-year contract, paying a basic £153,000 annually and providing the chance to earn a 100 per cent bonus. However, neither Mr Regan nor other directors have yet negotiated compensation deals with Hillsdown.

"No packages have been agreed with executive directors, because I wanted them to make a decision on the takeover offer on behalf of shareholders and not for themselves," he said.

He has no intention of swanning off, but intends to get back into business as soon as possible. "People have asked me where's this money going to get me. I've told them it's all going back on risk. Of course I am going to carry on," he said.

A friend of Mr Regan said he would not be surprised if he launched himself at another quoted company. Before Hillsdown came on the scene, Hobson had run the slide rule over dozens of potential targets.

Hobson has held protracted negotiations with Hillsdown for several months.

For its money, Hillsdown will be getting a company largely built up through acquisitions. Deals under the stewardship of David Wigglesworth, chairman, and Mr Regan, chief executive, notably include last year's £11m purchase of the food manufacturing arm of the Co-operative Wholesale Society.

For its money, Hillsdown will be getting a company largely built up through acquisitions. Deals under the stewardship of David Wigglesworth, chairman, and Mr Regan, chief executive, notably include last year's £11m purchase of the food manufacturing arm of the Co-operative Wholesale Society.

Graduate

Graduate plus is the marketplace with editorial and recruitment targeted at both undergraduates and graduates with 2-3 years relevant experience.

See pages 13-14, 16-19
section two

To book your advertisement
call the Graduate Team on

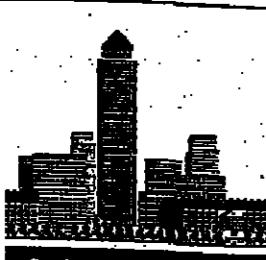
0171 293 2312

Every Thursday in the

INDEPENDENT
section two

| STOCK MARKETS | | | | | |
|---------------|-----------|--------|---------|----------|---------------|
| FTSE 100 | Dow Jones | Nikkei | | | |
| 3662.40 | +7.50 | +0.2 | 3680.40 | 2964.20 | 3.94 |
| FTSE 250 | 3342.30 | +8.00 | +0.2 | 3391.30 | 3300.90 3.58 |
| FTSE 350 | 1812.40 | +5.80 | +0.2 | 1821.50 | 931.00 3.86 |
| FT Small Cap | 1936.58 | -0.92 | -0.0 | 1993.11 | 1678.61 3.34 |
| FT All Share | 1785.58 | +3.40 | +0.2 | 1857.78 | 1469.23 3.82 |
| New York | 5198.41 | +23.49 | +0.5 | 5198.41 | 3828.08 2.27 |
| Tokyo | 19285.41 | -29.29 | -0.2 | 19284.04 | 14485.41 0.78 |
| Hong Kong | 9240.88 | -5.41 | -0.1 | 10032.93 | 6957.93 3.97 |
| Frankfurt | 2270.80 | -18.97 | -0.8 | 2317.01 | 1910.96 1.96 |
| Paris | 1833.76 | -15.18 | -0.8 | 2017.27 | 1721.80 3.23 |
| Milan | 9074.00 | -51.00 | -0.6 | 9571.00 | 8737.00 1.74 |
| Madrid | 312.80 | -1.48 | -0.1 | 318.95 | 204.05 - |

| INTEREST RATES | | | | | |
|-----------------|----------------|--------------|------|------|--|
| Short sterling* | UK medium gilt | US long bond | | | |
| 5.53 | 5.50 | 8.52 | 7.59 | 8.50 | |
| 5.50 | 5.50 | 7.81 | 8.06 | 7.87 | |
| 0.31 | 0.34 | 4.58 | - | - | |
| 4.13 | 3.72 | 7.50 | 8.85 | - | |



COMMENT

Eddie George was left in a highly vulnerable position. A further overruling at the hands of Mr Clarke would have done nothing for his credibility.

Kenneth Clarke and Eddie George pulled out all the stops to present a united front on the decision to cut rates by a quarter point. We were saved the old chestnut about singing from the same hymnbook, but the intention was clear: a state of harmony has been restored to the previously discordant relationship between the Chancellor and the Governor of the Bank of England. Most of us are left unconvinced. The suspicion is that the Chancellor wanted more and the Governor wanted less; that a quarter point down was the deal cooked up before the meeting.

Such no doubt unworthy thoughts are inevitable after the clash between Kenneth Clarke and Eddie George over the summer. While that had the fortunate side-effect of turning the drab pursuit of economic policy by the desiccated number-crunchers of the Treasury and the Bank into a spectator sport, the players were not so happy. Despite his protestations to the contrary, Mr George was left in a highly vulnerable position. A further overruling at the hands of Mr Clarke would have done nothing for his credibility. And yet much the same could be said of the Chancellor. If he had ridden roughshod over the Governor in pressing for a cut in rates, critics would have had a field day. The charge would be that the new monetary arrangements had comprehensively broken down and we were back to interest rates set

solely according to the dials of the political and electoral imperatives of the day.

The need for a compromise was thus pressing from both sides. How fortunate, from this perspective, that according to Mr George, the new data since the Bank's November inflation report had pointed so conclusively to a further downward revision in the Bank's projection for inflation two years hence. How fortunate, too, that that earlier forecast of inflation teetered on the brink of the target of 2.5 per cent or less. Yet it is possible to take a more straightforward view of the decision. As Mr George acknowledged yesterday, growth has slowed down more than expected and cost pressures have subsided. In the Bank's view of the world, the chances are now that the inflation target will be achieved.

The new framework for setting interest rates has always marked an uneasy compromise between full-blooded independence and the previous regime, which gave so much scope for politically inspired changes. It represents the furthest step towards independence that is politically acceptable – witness New Labour's reluctance to go much further. Despite the doubts about credibility, it has made interest rate decisions far more transparent and has forced both the Governor and the Chancellor to be more confident that they can defend their viewpoints. Whatever the

genesis of yesterday's cut in rates, the new arrangements have improved the conduct of monetary policy.

Examination for the spin doctors

To many, Amec's spot of bother with the Takeover Panel must look like more of a good laugh than a matter to be taken seriously. Public relations has long been the unregulated wild frontier of investment banking (to the eternal gratitude of many journalists) and to see Amec's PR firm coming a cropper by using that time-honoured practice of a little leak here, a little manipulation there, is causing much merriment among those who follow these things.

There is a serious side to it as well, however. By breaking the Takeover Code and according to Kvaerner, possibly securities law too, Amec's PR advisers may have done their client a great deal of damage. The embarrassment factor alone is bad enough. It both discredits and diverts attention from Amec's underlying defence. To cap it all, Kvaerner is now threatening to sue Amec should its bid fail. Such cases are notoriously difficult to make stand up, but this is none the less heavy-duty stuff. As to the wider question of whether the public relations industry should be further constrained, this

is perhaps an issue on which a journalist is not best positioned to comment. In such cases it is all too easy to shoot the messenger. Often these things are done in the perceived interests of the client if not on its outright instructions. The fundamental problem is that when applied to the securities industry, many of the traditional methods of the spin doctor – off-the-record briefings, a favour for a favour, the inspired leak and the manipulative spin – become highly contentious if not outright illegal.

Furthermore, unlike other areas of PR, these are methods applied not just to the narrow confines of the fourth estate. They are also directed as in this case, at investment analysts and sometimes institutional shareholders. The PR industry often talks of cleaning up its act, of introducing proper codes of conduct and professional disciplines. But old methods die hard.

East Midlands clears out the silver

In mid-1994, East Midlands became the first of the dowdy regional electricity companies to tart itself up by announcing that it planned to return large sums to shareholders. Last year's glamour puss is today's wallflower. For some obscure reason East Midlands is one of only three RECs not to

have received a takeover offer, despite the fancy clothes and the gaudy make-up, which most of the rest copied. There is obviously no justice on the dance floor.

Nigel Rudd, the chairman who took over in 1994, and Norman Askew, the chief executive, set out deliberately to get rid of previous acquisitions, concentrate on the core electricity business and borrow to reach a more financially efficient gearing level. The shareholder value they have managed to deliver as a result is impressive.

The first payout, of £185m in the form of a special dividend, came in November 1994, days before Trafalgar House set the sector alight by bidding for Northern Electric. Since then there has been £300m worth of National Grid shares and yesterday the announcement of plans to take the total handout over 16 months to more than £720m, with a £238m special dividend next March. That is a staggering amount of money for a company that, at last night's price and allowing for the payment of the special dividend, was worth just over £1.15bn. It means East Midlands will have given back nearly 40 per cent of its value to shareholders, excluding ordinary dividends.

You can argue about the morality, but from shareholders' point of view, clearing out the family silver so effectively before it is taken away by a Labour Party windfall profits tax seems like a pretty good idea.

Kvaerner ponders legal action against Amec

MAGNUS GRIMOND

Kvaerner yesterday raised the possibility of legal action against the board of Amec after the Takeover Panel attacked its former public relations advisers for breach of City bid rules. The Stock Exchange is already probing trading deals.

Kvaerner, bidding £300m for Amec, said in a statement through its merchant bankers, SBC Warburg, that there were "serious questions" arising from the Panel's ruling, including whether an attempt had been made to create a false market in Amec shares.

Erik Tonseth, president and chief executive of the Norwegian group, said: "We have asked our solicitors to make clear to the current board of Amec that Kvaerner reserves its rights on these matters; we believe that the Panel's statement may be the first chapter in a grim saga."

The move comes just days before the final closing date of the bid on Monday and follows Tuesday's heavy censure by the Panel of Amec's public relations advisers, Financial Dynamics.

The Panel said that a director of Financial Dynamics had made certain comments relating to profits levels of Amec for 1996. The information was not public knowledge. The director is believed to be FD's chairman, Mr Tony Knox.

The profits statement and other unpublished matters relevant to Amec's defence strategy were allegedly passed to an unnamed analyst from a stockbroking firm.

It is thought that a representative from Merrill Lynch



Photograph: FT

was involved and that the telephone conversation was tape-recorded.

Press reports over the weekend of 2 and 3 December had already prompted the Panel to call for written confirmation from Amec and Financial Dynamics that no such information had been supplied to third parties.

Further investigations by the Panel established that there had been such conversations. It ruled that Financial Dynamics had failed to take sufficient care in talking to analysts, "which resulted in serious breaches of the [Takeover] Code".

Financial Dynamics were immediately replaced as PR advisers by rivals Dewe Rogerson.

Kvaerner yesterday called on Amec shareholders to disregard what it described as these "rumours of future profits". The company is understood to be considering

Forte says 5,000 jobs threatened

JOHN SHEPHERD

Forte yesterday claimed that Granada's reported boast that it could save £100m in costs if its £3.3bn hostile takeover bid succeeds could affect up to 5,000 jobs, equal to one in 10 of the workforce.

A spokeswoman for the besieged hotels company said: "We don't think they can do it [save £100m]. Our wage costs are the lowest in the industry."

A breakdown of Granada's savings figure in recent press reports showed that the television company aimed to top £40m of Forte's purchasing bills, £35m from central costs and £30m from the payroll, she added.

Forte yesterday requested the Takeover Panel to ask Granada for "formal clarification" of its claims that it could save £100m. The panel does not comment on individual aspects of a bid unless it makes an official ruling.

A spokesman for Granada accused Forte of "mischief-making". He added: "We are totally confident of our analysis of this underperforming business." Granada has made no official statement on the cost savings it could extract from the bid.

Meanwhile, rumours are intensifying that a disposal of Forte's White Hart chain of hotels is imminent.

City Diary, page 22

A rate deal cooked up to restore harmony

East Midlands to pay out further £238m

PETER RODGERS
Business Editor

East Midlands Electricity is to pay £238m in a record special dividend, which will bring the total it has paid this way to shareholders to more than £420m.

The special dividend of 120p a share, which will be worth 150p to tax-exempt institutions such as pension funds, was an-

nounced alongside pre-tax profits of £96.7m for the first half of the year, a rise of 12.4 per cent.

The special dividend, to be paid in March, is the highest so far among the regional electricity companies and more than the City expected.

But investors were disappointed and the shares fell 30p because of what analysts saw as an ungenerous ordinary dividend

policy compared with other RECs, of 9.3p a share, up 0.6p.

East Midlands pioneered the idea of returning money to shareholders in 1994, with a special dividend of £185m, which was announced well before bid fever broke out in the sector and RECs began to lose their independence.

Norman Askew, chief executive of East Midlands, said there

were no plans to give extra benefits to customers beyond the £54.60 rebate already announced as a result of the flotation of National Grid.

East Midlands transferred the value of its Grid stake directly to shareholders.

The company had a "pretty stringent" 29 per cent reduction of revenue to achieve by 2000 as a result of this year's electricity pricing review by Pro-

fessor Stephen Littlechild, the regulator. "We don't intend to do any more," said Mr Askew.

Domestic customers were paying 12 per cent less in real terms than a year ago and a spokesman said there had been £700m of price cuts to customers since privatisation.

The special dividend will raise the company's gearing to about 80 per cent.



**Shareholder information update.
AMEC's response to Kvaerner's offers.
To hear your Board's advice call 0800 771177.**

The Directors of AMEC plc are the persons responsible for this advertisement. Those Directors confirm that, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of AMEC plc accept responsibility accordingly.

business

THE INVESTMENT COLUMN

Edited by TOM STEVENSON

Chubb locks into growth abroad

It is a measure of Chubb's geographic and product diversity that the moribund construction market and a contracting banking industry in Europe were no more than an irritation to the fire protection and security group. Good growth elsewhere more than made up for a downturn in those markets and the steady improvement since Chubb was spun off from Racal in 1992 continued.

Pre-tax profits of £44m in the six months to October were 13 per cent better than a year ago, bang in line with expectations. They were struck from a 5 per cent increase in turnover to £383.2m. Earnings per share were up 17 per cent at 9.6p and the interim dividend increased 12 per cent to 2.32p.

When Chubb was demerged it was making an unexceptional return on sales of almost £700m, hardly capitalising on its unrivalled stable of brand names. A four-year plan was implemented to widen margins and lift market share which, just over half-way through, appears nicely on target.

As the chart shows, operating margins have improved markedly in both the alarms and locks businesses. That has led to an impressive increase in cash generation, and a £65m debt burden four years ago has been transformed into a £63m cash pile.

How the company chooses to spend that money will be key in determining whether the current good but hardly heart-stopping growth continues or shows a noticeable improvement. In a fragmented market, picking up smallish acquisitions of £20m-£50m is the likely expansion route. There is no shortage of opportunities. Chubb is represented in more than 100 countries around the world, and while the developed countries of the West can only be expected to replace their existing stock of locks and alarms many other markets have enormous potential. The scope for growth was underlined during the first half by orders pouring in 4 per cent faster than sales went out.

To satisfy that demand, an £8m investment programme is under way to build three new fire product and safe factories in Indonesia, South Africa and China. Given 13 per cent sales growth from physical security in Asia, Australasia and Africa, compared with no change in America and Europe, that is a sensible allocation of resources.

With no real surprises, analysts left their forecasts for this year and next broadly unchanged with a consensus expectation of £100m before tax in the

year to April and £110m next time. After yesterday's 13p rise to 313p, the shares trade on a prospective price-earnings multiple of 15, falling to 13.

Despite drifting from a peak of 406p early last year, the shares are still not obviously cheap. Fairly priced.

Smith surmounts paper problems

David S Smith exemplifies the problem facing investors in the paper industry. Like its peers, Britain's largest maker of recycled paper and leading wholesaler of office stationery is looking forward to several more years of rising demand. But the industry is notorious for its over-optimism, as last month's profits warning following earlier confidence at Arjo Wiggins amply demonstrates.

It is now clear that this year's de-

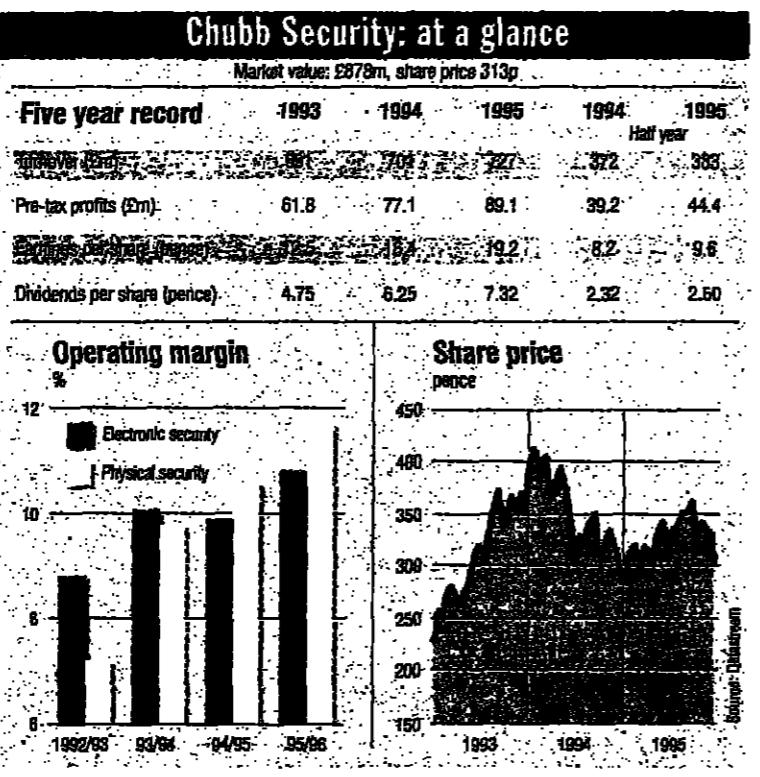
stocking has been more than just a blip, an impression that is borne out by the volatility in the price of waste paper this year. Having more than doubled and then halved in the space of under 12 months, the price of a key ingredient

for over 90 per cent of Smith's production has made life extremely difficult.

It is testimony to the strength of the management that Smith has been able to lift pre-tax profits by nearly 48 per cent to £59.6m in the six months to October. Its decision to raise the half-way payment to shareholders by 15 per cent to 2.45p suggests it remains confident about prospects.

In fact, the company is rightly being cautious over the outlook. It has managed to widen margins in its main paper and packaging operation from 11.4 to 12.7 per cent as selling price increases have been pushed through even faster than the soaring cost of waste paper. But in doing so Smith admits that it has lost share in a packaging market that has itself seen growth slow from 5 per cent in 1994 to 1 per cent in the first 10 months of this year.

Smith's defence against any cyclical downturn lies in the Spicers wholesaling business and the group's niche in waste paper. As well as providing greater input cost stability than wood-pulp substitution means Smith's St Regis Paper operation saw demand rise 7 per cent against a market up by only 1 per cent.



These qualities may not be sufficient if demand falls off a cliff, though. Profits of £120m this year would put the shares - at 255p, up 6p - on a modest prospective multiple of 9. Fading bid hopes give some support, but the shares are likely to remain dull.

Disappointment as MFI slides

Given the fragility of the housing market, it is hardly surprising that DIY and furniture retailers have been struggling even more than the rest of the high street. The last few weeks have seen grim news from Magnet, which is part of Bericfield, and Spring Ram, the kitchens and bathrooms manufacturer. Yesterday it was MFI's turn to disappoint, with pre-tax profits down 30 per cent to £20m in the six months to November. On top of this MFI rolled out a tale of falling margins, flat sales and rising costs.

In some ways MFI has been unfortunate as it has tried to do some of the right things only to be clobbered by unexpected nasties. It has been moving more production in-house to improve margins and the proportion of MFI in-house manufacturing has risen from 52 per cent of sales to 55 per cent.

However, the company did not count on the massive rises in the price of raw materials such as chipboard, which have shaved its gross margin from 53 per cent to 51 per cent. With higher payroll costs caused by the increase in manufacturing capacity, the net operating margin has shrunk even more dramatically from 8.4 per cent to 5.7 per cent - although the worst should now be over on this front.

MFI has also been revamping stores under the Homeworks name. These stores stock houseware products as well as furniture and enable the company to attack new markets and move away from its downmarket image. MFI now has 27 stores in the new format and will convert a further 35-40 in the next year. Sales in the conversions are up 10 per cent. If the trial is successful all 184 branches will be changed to Homeworks.

Analysts are forecasting profits of around £60m for the full year. With the shares 0.5p lower at 153.5p the shares are on a recovery-stock forward rating of 22. But much depends on an improvement in consumer spending and an uplift in the housing market. Hold.

Simon Pincombe CITY DIARY

JP Morgan snatches a \$1m steak in Harlem



Culture shock: Harlem may be seeing more Wall Street bankers

Harlem is in for a rude shock. It is about to be invaded by droves of Wall Street bankers. JP Morgan, the Ivy League institution, is taking a stake in Sylvia's, the famous soul food restaurant in the heart of the dangerous New York neighbourhood.

The bank and two other investors will pump in more than \$1m to help promote Sylvia's flagging sauce and spice products business.

Morgan believes that a paltry \$1m annual turnover could go as high as \$100m.

The colourful restaurant is about the only place in Harlem where a banker would be seen alive. It grew from a handful of seats to a 500-table tourist attraction. But the food products sideline, launched in 1992, has not taken off.

"There is an untapped market out there and this product has name recognition," intones Nancy Yivsaker, president of the bank's community development arm. Whether staff will be lunching in Harlem is not revealed.

They will be learning Gospel singing next.

Expect some glowing reports on HP Bulmer in the not-too-distant future. The cider-maker, which reported half-year figures yesterday, took the precaution of dispatching a crate of its hooch to every relevant City analyst last week. For research purposes only, you understand.

Further fuel for thought on the matter of the Brazilian electricity privatisation.

The Granada bid for Forte may have to be abandoned. The 1994 trust deed governing the Council of Forte (and giving the guardians of temperance 50 per cent of the votes for less than 0.1 per cent of the shares) is an impenetrable document.

But it appears to decree that the council must hold the capital and income of the trust fund "until the expiration of 20 years from the death of the last survivor of the issue of Her Late Majesty Queen Victoria living at the date of the principal deed".

Mmm. A leaf through Burke's Peerage appears to be in order.

the population own a personal pair of crocodile clips, but there is also a thriving market in stolen electricity. Gangs bleed off gigajoules of power, according to one industry source, and sell it through the warrens of flats.

And the rates are very competitive. If you buy illegal power you do not pay by the unit. The criminals charge a flat fee no matter how much power you use - one rate for, say, a fridge and another for a television.

In the UK, of course, we have been more concerned with the fat cat problem than the dead one.

Among the helpful tips on sensible eating this Christmas comes advice from Air Miles on what to do if the business lunch goes horribly wrong - think of something witty. It recalls the incident of a businessman who dropped a wine glass on to his fork, which happened to be wedged under his fillet steak at the time. The steak was catapulted across the table and landed on the plate of an important client.

"Why don't you try some?" inquired the businessman.

IN BRIEF

PolyMASC placing 10 times subscribed

PolyMASC Pharmaceuticals' placing to raise £4.47m was 10 times subscribed, the fledgling biotechnology group revealed yesterday. The group, which grew out of research at the Royal Free Hospital School of Medicine in London, will be capitalised at £20m when dealings on the Alternative Investment Market begin on 19 December. The prospectus, published yesterday, confirms that the medical school will retain a 26 per cent stake, with the founding scientists holding nearly 32 per cent.

Fallon on Independent Newspapers board

Independent Newspapers, publisher of the *Irish Independent*, said it had appointed Ivan Fallon to its board. Mr Fallon is deputy chief executive and group editorial director of Independent Newspapers of South Africa. Separately, Independent Press Holdings, the holding company for Independent Newspapers and the O'Reilly Trust, announced that it had increased its stake in Wilson & Horton, a New Zealand publisher, from 43.83 to 45.15 per cent.

Kwik Save shares tumble on warning

An unexpected warning on margins led shares in Kwik Save to fall sharply yesterday. They closed 39p lower at 519p as analysts worried about how the group would claw back costs from suppliers during the crucial Christmas period. While the statement was not detailed, it is understood that the retailer felt that City forecasts were too high and issued the warning to correct expectations. SBG Warburg downgraded from £1.90m pre-tax profit this year to £1.6m after the statement.

Williams boosts firepower

Williams Holdings has boosted its fire protection division with the acquisition of two companies in North America. Dual Spectrum, based in California and the US market leader in high-speed optical flame sensors for military vehicles, had sales of £1.7m last year and is costing about £1.6m. Pyrene Canada, based near Toronto, supplies the market with a range of industrial and commercial extinguishers and is being bought for C\$4.6m (£2.2m).

Sherwood nets £5.8m from City Deal sale

Sherwood Computer Services has sold its 80 per cent holding in execution-only stockbroking subsidiary City Deal to Cater Allen for £5.8m. Cater is paying £7.25m in total for the company. Proceeds of the sale will be used by Sherwood to fund investment in its core businesses of supplying computer products and services to the insurance and assurance markets.

Chemring profits leap 33%

Chemring, the explosives to marine leisure and specialist clothing business, announced a 33 per cent increase in pre-tax profits to £8.6m for the year ended 30 September 1995. It recommended a 7.32p final dividend, making a total dividend of 10.9p, up 11 per cent on 1994. The group saw an 18 per cent increase in export turnover.

City welcomes Tomkins' \$1bn Gates buy

TOM STEVENSON
Deputy City Editor

The City yesterday welcomed news from the bums-to-guns conglomerate Tomkins that it has found a sensible use for its fast-growing cash pile. The proposed \$1bn (£683.5m) acquisition of Gates Rubber made analysts doubly happy because it appeared to be turning the group back to its engineering roots. The shares rose 7p to 269p.

The change in sentiment towards Tomkins follows three years during which the shares have stagnated as investors failed to appreciate the commercial logic of the group's last big

acquisition of Ranks Hovis McDougall. That move was damned for taking the group into the volatile world of bread price wars and flooding the market with shares.

Gates Rubber, which makes power transmission belts and hoses for the automotive industry, is a family-owned Denver business with turnover of about \$1.5bn expected this year. Tomkins beat off offers from two other bidders to secure the deal which is expected to be completed in the first quarter of next year.

Although details are still sketchy, the market welcomed the fact that the deal will be funded by the issue of con-

vertible shares to Gates rather than another rights issue. The £900m RHM acquisition was paid for with a one-for-two rights issue, hard on the heels of a £32.5m cash call the previous year to fund the purchase of Philips Industries of the US.

Goeff Allum of Henderson Crosthwaite said the deal was just the sort of acquisition Tomkins should be making. "It's darned good news. It looks a very positive deal for Tomkins on the information so far available," he said. Zafar Khan at Société Générale Strauss Turnbull agreed: "It's a sensible deal and one that the market will warm to."

Full details will not be available un-

til contracts are finalised later this month, but analysts thought the deal would not dilute earnings in its first year in Tomkins. Based on the assumption that Tomkins will pay close to the speculated price of \$1bn and assume \$240m of Gates's debt, it will have to squeeze a 9.5 per cent margin out of sales of \$1.6bn to remain earnings-neutral. Brokers believed that was achievable, with Gates's 13 plants employing 14,000 workers offering substantial scope for savings.

The hope in the City is that the acquisition of Gates will mark a turning point for Tomkins, which has consistently produced excellent results but

failed to persuade investors of its merits. Despite turning in an 18 per cent rise in profits for the year to April with a similar rise in the dividend payout to shareholders, the shares have remained under the cosh, rated less highly even than its peers in the out-of-favour diversified industrials sector.

Over the long run Tomkins performance has been even more impressive. Earnings per share have risen every year since 1984, notching up a compound growth rate of 34 per cent, compared with the average of UK quoted companies of just 7.5 per cent. Dividends have risen 29 per cent a year on average over the past 12 years.

Kimberly's Scott Paper acquisition to cost 6,000 jobs

DAVID USBORNE
New York

One day after its shareholders approved its purchase of Scott Paper for \$9.4bn (£5.9bn), Kimberly-Clark yesterday announced that it would be eliminating a total of about 6,000 jobs within 12 months as it begins the integration of the two companies.

The chairman of Kimberly-Clark, Wayne Sanders, said that 12 of the company's plants would be closed worldwide and that the company expected to take a \$1.4bn restructuring charge in the fourth quarter of this year.

The lay-offs, which represent 10 per cent of the combined workforces of Kimberly-Clark and Scott, are partly prompted by agreements reached with regulators to divest certain brand names and product lines to avoid breaching monopoly requirements. They include Baby Fresh baby wipes.

Commenting on the company's plans for restructuring to analysts in New York, Mr Sanders said: "This integration plan will improve our competitiveness by creating economies of scale and leveraging company-wide synergies. In short, this plan is about maximising value for our customers and our shareholders".

Mr Sanders said that he expected the merger of the companies to produce savings of \$400m annually by 1997, a year earlier than was originally envisaged.

Its brand line will include Kleenex, Scott, Huggies, Kotex and Depend.

Of the jobs to be lost, slightly more than half will come from the plants that are to be closed.

On the fate of those plants, Mr Sanders told analysts: "We will make every effort to sell these as operating businesses." Pending the final EC decision, expected next month, Scott and Kleenex will continue to operate as separate companies in Europe, he added.

The Assistant US Attorney General, Anne Bigaman, meanwhile defended the Justice Department's insistence that Kimberly-Clark divest Baby Fresh and the other product lines before being given anti-trust clearance.

"Tissues and baby wipes are used by millions of American families every day across the country. We can't allow a merger to proceed that could raise prices of these household necessities," she said.

Commenting on the company's plans for restructuring to analysts in New York, Mr Sanders said: "This integration plan will improve our competitiveness by creating economies of scale and leveraging company-wide synergies. In short, this plan is about maximising value for our customers and our shareholders".

Mr Sanders said that he expected the merger of the companies to produce savings of \$400m annually by 1997, a year earlier than was originally envisaged.

sport

Why Mathis believes lightning can strike twice

When confronted with the widespread notion that he is not expected to provide Mike Tyson with more than just a few minutes of amusement at the Spectrum in Philadelphia on Saturday night, Buster Mathis Jr draws attention to coincidence.

Nobody ever got laid out by coincidence, but in the circumstances Mathis finds it comforting. His first name, for example. The only blemish on Tyson's ring record, a sensational defeat in Tokyo six years ago, was put there by James "Buster" Douglas as a 42-1 underdog. "That's boxing for you," Mathis could be heard saying this week.

Then there is motivation. Douglas gave one great performance of his career shortly after the death of his mother. Mathis

lost his father, a former heavyweight contender, in September. "Knowing he had faith in me is an inspiration," Mathis added.

Trouble is that in boxing, as in most things, talent usually asserts itself. Nobody, probably not even Mathis himself, believes Tyson is in peril of again being temporarily separated from his sensibilities. So where is the 25-year-old from Grand Rapids, Michigan, going? "I want to get to Mike in the later rounds," he said.

Mathis looks determined but slightly uncertain. Maybe all was trying to remember all the things his father communicated. The most important was this: "Son, you can play football and you can play baseball, but just remember, you can't play boxing."

Buster Mathis Sr also spoke

about facing up to disappointments. "He told me I must always make the best of things, and I remembered that when I knew I wouldn't be fighting Mike last month because he damaged a hand, I thought that might be the end of it, that I wouldn't get the chance again."

Instead of brooding over the loss of an \$800,000 (£540,000) purse, Mathis concentrated on the cultivation of less violent skills. Taking an eight-day course, he qualified in real estate management. This makes Mathis different but it does not improve opinions of him as a fighter. Nice kid, but has not got enough to hold off Tyson is what the majority say about him in boxing.

It is not that Mathis has

Ken Jones, in Philadelphia, talks to the man Mike Tyson meets on Saturday

lately Joey Pariello, but simply that he is not good enough. When this was put to one of Tyson's co-managers, John Horne, along with the view that a more durable opponent would accelerate Tyson's rehabilitation, he struggled. "Who is there?" he said. "I'd like to see Mike taken a few rounds, but the idea always is to get opponents out of there as quickly as possible. I don't think there's a heavyweight around, Riddick Bowe, Frank Bruno, Lennox Lewis, who could stand up to Mike for more than a couple of rounds."

An old trick of fight managers is to communicate news of mayhem in the gymnasium, the damage inflicted on the hired help. Horne is no exception. "I hear it's one of Mike's sparing partners who hasn't been knocked over," he said. "I can see him back to his best, better perhaps than he ever was."

Being of more than average intelligence, Mathis is acutely aware of the risk he is taking for 25 per cent less than he was guaranteed before Tyson's injury brought about a postponement. "The ring is a scary place and you always know fear in there," he said. "But when Douglas beat Tyson he exploded a myth. Since then Mike hasn't been such a terror, and we still don't know how much of himself he left in prison."

Mathis and Pariello are encouraged by a video of Tyson's comeback against Peter McNeeley four months ago in Las Vegas. It is difficult to imagine that valid conclusions can be reached from a contest that lasted only 89 seconds, but Pariello insists that brevity masked serious flaws in Tyson's technique. "I know he had McNeeley down quickly but after that he didn't land a worthwhile punch," Pariello said. "Mike was wild, all over the place with his punching, and he didn't look happy with his performance."

"Intimidation has always been a big part of Tyson," Mathis said. "Before he lost to Douglas his opponents froze at the sight of him. You knew what was going on inside their heads. That they were about to be battered by a video of Tyson's

comeback against Peter McNeely four months ago in Las Vegas. It is difficult to imagine that valid conclusions can be reached from a contest that lasted only 89 seconds, but Pariello insists that brevity masked serious flaws in Tyson's technique. "I know he had McNeeley down quickly but after that he didn't land a worthwhile punch," Pariello said. "Mike was wild, all over the place with his punching, and he didn't look happy with his performance."

"Intimidation has always been a big part of Tyson,"

surprise among bystanders. "All that money, all that fame, and yet in my mind so insecure. I just don't understand why he wants to carry on fighting. If I had a small portion of what Mike's got I'd be out of there. I don't have a house, a car or fancy clothes. And nothing would change. I'd still live with my mother."

Mathis is no gift for small talk but his manner is invariably pleasing. Neither does he ever

convey the impression of a man whose accomplishments don't measure up to his own opinions of his abilities. Mathis knows his limitations but considers that he has never been more than 75 per cent of himself. "This is all about two guys in the ring," he said. "There is another way of looking at this fight but that would be putting Mathis down. Precisely what Tyson has in mind.



Mathis: pleasing manner

Atherton is toying with the tide

Cricket

DEREK PRINGLE
reports from Durban

Michael Atherton's first actions this morning, after receiving his alarm call, will have been to pull back the curtains and study his tide tables. Then having memorised what time high tide was due, he would have tried to ascertain which way the wind was blowing by sticking a moistened finger out of the ninth-floor window of his seafront hotel.

This may have seemed crude and unusual behaviour for a history graduate to be indulging in, but, according to local knowledge, the two acts are crucial. Especially, it seems, if you are the captain of a cricket team in need of a pointer or two and already involved in a Test series levelled at one batch all.

Apparently, when the wind blows from the South-West, it is laden with moisture from the Cape, so you must bowl first or take a broil out to bat. However, if the wind is a nor'easter, the sunny weather makes batting and a front-line spinner imperative. Which in England's case would be Richard Illingworth, while South Africa will have plumped for Clive Elstree.

However, with the ground at Kingsmead situated about half a mile from the Indian Ocean, high tide can also affect the pitch, depending on what time it comes in, offering help to the seam and swing bowlers when it does. If this sounds like poppycock to those who play their cricket inland - or even to devotees of the timeless Test played here in 1939, when 10 days were not long enough to force a result - a similar phenomenon has been observed at Southchurch Park in Southend. There, Essex players have noticed that when the tide comes up the Thames estuary, the pitch would suddenly change from being flat and dry, to one that seemed about.

However, two days ago when the pitch was first revealed, such specialist knowledge would have been unnecessary, and several pairs of batsmen's eyebrows were raised in unison at the first sight of the moist, grassy surface. With low grey clouds scudding about and a nip in the air, one England bowler was heard to remark gleefully



Mark Lott stakes his claim under the watchful eye of Ray Illingworth in Durban yesterday

Photograph: Empics

Power proposal for Illingworth

A recommendation for the Test and County Cricket Board to empower the England chairman of selectors to overrule a county's selection of an England player has been dropped. Angus Fraser is the proposer.

In line with the South African system, there is a proposal to give Illingworth the power to overrule a county's selection of an England player if he feels the player needs a break.

It would avoid a repeat of the situation last August when Darren Gough was chosen by Yorkshire for a NatWest Trophy semi-final against Northamptonshire while he was attempting to recover from a stress injury.

Bob Woolmer, the South African coach, in contrast, was able to order Allan Donald to miss the Orange Free State match against England before the second Test.

The problem for the TCCB is that England players are contracted to their county not their country, unlike the South Africans who are signed up with the United Cricket Board.

In the event, it is unlikely that the counties will agree to such a radical step, although indi-

vidually they may listen to Illingworth in future with more sympathy.

Meanwhile, moves to launch the English Cricket Board as a replacement for the TCCB have been put back a few months after the TCCB had set an initial deadline of 1 January for its inception.

The ECB will be discussed but the most positive action is likely to be the setting-up of a working party to investigate the ramifications of the new governing body. However, the meeting is likely to introduce changes to the domestic game

and the County Championship could see some fine tuning.

The Championship is almost certain to remain an 18-team structure, as opposed to a two-division competition many had called for and the Board is being asked to consider awarding prize-money for 50 or more dismissals to their team.

There is no doubt that it will remain a four-day competition but there is a recommendation for over-rates to be reduced from the present 110 per day for the opening three days (102 for the fourth) to 104 and 96 respectively.

Should that fail to surprise, given that such an onslaught of high-class pace bowlers ought to provide plenty of edged catches, then the fact that he was out-gunned 11 catches to one in the last Test by Jack Russell, should do. It is a statistic that lends weight to the claim that South Africa are bowling far too short and are missing Fanie de Villiers' full-length outswingers.

He does not, however, feel moved to comment about batsmen from behind the stumps. "It's an easy position to be nasty from because there is no way for a batter to be able to get revenge. Anyway it's stupid to see someone behaving out of character, so I don't usually bother. I'm not confrontational. It's why I deal with contracts and not litigation."

But even if Richardson seems to come from an age of gentleman cricketers, surely he must have been moved to comment during Atherton's and Russell's lengthy rearguard at the Wicket.

Seeing the same backsides settle in front of you, hour after hour, it would not be sane not to.

"Well actually I did say one thing," he admitted somewhat sheepishly. "I told them Barnacle Bailey had nothing on them." He's right you know. It's always better to be in character.

CRICKETLINE
SOUTH AFRICA v ENGLAND
BALL BY BALL COMMENTARY
0891-567-567
REPORTS & SCORES
0891-567-555

THE OFFICIAL STAFFORDSHIRE COUNTY CRICKET BOARD

THE ROYAL NAVY

RECRUITING FOR THE ROYAL NAVY

WE ARE LOOKING FOR YOU

Stone rolls to the fore as Venables' flexible find

As interest rates drop in the City they rise in the Chancellor's sporting passion. Tuesday's World Cup draw and the impending European Championship lottery, have dispelled the phoney-war feel about Terry Venables' England. Even the team appeared to catch the mood on Tuesday, rousing itself after a cautious start to partake in a second successive entertainment international.

The draw with Portugal was illuminated by Steve Stone's goal and overall performance. Maybe the feel-good factor he engendered in Kenneth Clarke, a noted Nottingham Forest fan,

helped foster yesterday morning's cut in the base rate. It certainly helped Venables most of all the tabloid reaction was along the lines of "gem-Stone" and "Stone me". That England were, for the sixth time in 11 home internationals, held to a draw seemed to escape notice.

"Not that Portugal are easy to beat. Their only defeat in 16 matches came in Dublin in April, and that was avenged by last month's 3-0 victory in Lisbon.

Since his appointment Venables has attempted to adhere to a policy of playing the next there is nothing to be learned

from knocking over the likes of San Marino. In that respect England's warm-up games for next year's European Championship finals have been more useful than Scotland's qualifying matches, although they have lacked a competitive edge. Aside from the United States all the opponents, even Japan if judged by their Wembley performance, have been respectable.

"It was a good test," said Venables after the game. "If we could get two or three more games like that before the finals it would be excellent."

Who England do play next will be determined by Sunday's

European Championship draw in Birmingham. Croatia are one likely opponent; Italy, following their World Cup pairing with England, are not. The spring series will be followed by a short tour to "bond" the final squad, perhaps to South Africa.

By then Venables will have had to refine his squad to 20 names plus a reserve goalkeeper. This will be difficult. He named 23 for this game and had Darren Anderton and Gary Pallister unavailable. Other contenders, such as Paul Ince, John Scales, Neil Ruddock, John Barnes, Stan Collymore and Paul Merson, were not selected.

As soon as the process of picking a theoretical 20-man squad begins problems emerge. Venables stressed that, if England were to play all six matches, he may need to call on all 20 players. Which makes the need

for versatility particularly clear.

With that in mind Gareth Southgate's composed first appearance on Tuesday gains significance. Robert Lee, David Platt, Teddy Sheringham, Dennis Wise and Graeme Le Saux can also fill more than one position.

Southgate is a rarity in that he can play in central defence or midfield. At present England's defenders are limited in flexibility. Only Le Saux, of the full-backs, can play in midfield and neither the full-backs nor the centre-backs are interchangeable. Thus there may yet be a chance for the likes of Sol Campbell, David Unsworth,

or Warren Barton to regain their place in the squad.

In midfield the performances of Stone, Wise, Lee and Jamie Redknapp threaten the place of the captain, Platt, but it is in attack the biggest selectorial controversy may arise. It is hard to imagine Venables picking five central strikers yet, if Barnby, Peter Beardsley, Sheringham and Alan Shearer are considered near-certainties, what happens to Les Ferdinand?

Pairing Ferdinand with Shearer did not really work. "Les and Alan had their moments, they worked hard," said Venables. "I do not know if I would

play them together again but I would not be frightened to so. I was quite pleased with them. They do cause danger, both in the air and on the ground. Hardly high praise, but Ferdinand is the obvious cover if Shearer were to be injured, and it would be a risk to omit him.

There is, of course, six months to go and a lot of players could be injured before then. There is also the matter of arranging the World Cup qualifying fixtures and settling Venables' future. "I would think we will have sat down and talked about it before we do the fixtures," said Venables. "It would be helpful for both parties."

McGhee the new man at Molineux

BY PHIL SHAW AND GUY HODGSON

Mark McGhee took charge of Wolverhampton Wanderers yesterday and promptly called for a "turnaround" system for managers that would have made his own defection from Leicester more difficult.

"It's something I feel strongly about," McGhee said after he was confirmed as Graham Taylor's successor on a three and a half year contract. "A player's contract is registered with the FA and the Football League, and he can't walk out on it."

"It's time managers' contracts were dealt with the same way. In a sense it was too easy for me to leave Leicester. This should be able to come in and offer, say, £1m for a manager, and if that fails, £2m, and so on, just as they would with a player."

McGhee said he left Leicester because he was starting to "outgrow" them, as he had. Reading a year earlier, he understood supporters' resentment but claimed that the move to Molineux, where he is joined by his assistant Colin Lee and coach Mike Hickman, was motivated by professionalism rather than greed.

"I said to myself 'I want three or four years and risk not getting another chance, or do I take the job?' It was a career decision. The only problem is it's come earlier than I anticipated."

What guarantee did Wolves have that he would not ditch them? "This club can fulfil every ambition I have, in terms of the stadium, training ground, crowds, playing potential and the financial backing. If I do the job properly there's no reason why I shouldn't stay a long time, unless they don't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty, the 38-year-old Glaswegian said: "Football's a business – it's about professionalism. My last game for Aberdeen was a cup final. Next day I joined Hibernian but I gave them 100 per cent. I left Reading and Leicester better off than I found them. The loyalty I'll show Wolves is giving 150 per cent to a team that they didn't want me."

Asked whether he had shown his previous employers a lack of loyalty

KEN JONES: The boxer who believes he can beat Tyson 26**DEREK PRINGLE:** Why Atherton is watching the weather 26

Crawley ready for the challenge

Cricket

John Crawley faces his toughest challenge yet after forcing himself back into England's Test team. One by one, the Lancashire batsman has tackled problems which were threatening to keep him among international cricket's also-rans.

He is fitter than ever before, having lost a stone in weight since last winter's Ashes tour of Australia. He is quicker and more agile in the field after following a rigorous training routine. His technique at the crease appears much tighter, with a heavy emphasis on playing straight and thereby eliminating as many risks as possible.

But now all that hard work is about to be given its sternest examination over five days at Kingsmead as England and South Africa meet in the third Test which could shape this winter's five-match series.

For Crawley, though, the real task starts here. Barring a last-minute change of mind, the 24-year-old will bat at No 3 – a position made available once more by Mark Ramprakash's failure under pressure. "If they are good enough they can do it," Ray Illingworth, the chairman of selectors, said when asked whether it was wise to entrust such a key position to the squad's most inexperienced batsman – and one, who after nine Test appearances, averages only 22.

"John has worked very hard on his fitness and his fielding since last winter. It has been a tremendous effort. And, as a batsman, when he gets in he's got great concentration."



Front crawl: John Crawley, the 24-year-old Lancashire batsman who starts the third Test against South Africa at No 3, relaxes in the Durban sunshine yesterday

Photograph: Lawrence Griffiths/Empics

Venables set for extended contract

Football

Terry Venables looks ready to accept the challenge of leading England through a daunting 1998 World Cup mission.

And the extension to the national coach's current contract could be in place by the time he heads the new year delegation to Rome to map out the qualifying programme.

The Football Association confirmed talks will take place either side of Christmas – barring any devastating developments from Venables' courtroom appearance this week – and the former Totten-

ham manager said: "It will be helpful for both sides to have it settled."

It will not be easy negotiating a fixture timetable to ease England's challenge against World Cup runners-up Italy, old enemy Poland and the former Soviet republics of Georgia and Moldova.

But Venables' immediate concern is Sunday's second big draw in Birmingham which will set out his European Championship task for which he was initially appointed.

Once that is known, he will look to the FA to give him a high quality build-up to next summer's finals, with so far only

Croatia pencilled in for a Wembley visit in April.

"A team like Croatia will be top class opposition, and we have several teams who want to play us. I do not think we will be put at a disadvantage."

"I want to wait for the draw on Sunday before we make any decisions, but whatever that does we want the best to play against. Teams like Portugal are a great test for us."

Croatia have offered Bosnia the use of their stadiums after the two former Yugoslav republics were grouped together alongside Slovenia in the qualifying competition for the 1998 World Cup.

The three westernmost states of the former Yugoslavia have friendly relations. Slovenia have kept out of the wars which

have ravaged other parts of the country since it broke up. The other teams in the group are Greece and Denmark, whose captain, Michael Laudrup, was unimpressed with the make-up of the group.

"If they were to meet any problems during the World Cup regarding the playing of matches in Bosnia-Herzegovina, we are offering them our stadiums, although we have heard that they already have a standing arrangement with it."

The three westernmost states of the former Yugoslavia have friendly relations. Slovenia have kept out of the wars which

about the draw. It is obvious that Denmark and Croatia must be favourites for qualification, but a lot can happen between now and 1997."

Birmingham captain Liam Daish is protesting his innocence after being barred from playing in the remainder of this season's Anglo-Italian Cup.

Daish has been excluded from the competition while investigations continue into an alleged assault on Ancona coach Massimo Cacciatori in an explosive tie in Italy last month.

Cacciatori spent two weeks in hospital after suffering a fractured cheekbone and a gash be-

low his left eye. The case is being investigated by the Italian judiciary.

But Daish is angry that no action has been taken against Cacciatori who is alleged to have entered the pitch during the game and attacked several Birmingham players.

Daish said: "I accept the fact that I can't play in the competition but I do not accept any guilt and I am disappointed that nothing has been said about the Ancona coach."

It could have been me or Paul Tait who ended up in hospital after what happened that night. Yet as far as I know, the same coach will be in the dug-

out when Ancona play at Luton tonight.

Has Cacciatori been cleared of any blame? I'd like to know. I will sit out my suspension because the competition has to come first, but I am innocent."

The decision to suspend Daish followed a meeting of the organising committee in London yesterday.

The competition is self-contained as far as disciplinary matters are concerned – red and yellow cards do not count towards domestic matches – but reports on the 15 November affair could still be forwarded to the respective national associations for further action.

Bolton try to prise Jess from Aberdeen

ALAN NIXON

Bolton are to offer Aberdeen attacker Eoin Jess the struggling Premiership club have been watching Jess all season.

Jess has been in stunning form, scoring regularly from midfield, although he also plays

up front. Aberdeen value him at more than £2m, but as his contract runs out at the end of the season, they may wish to cash in now. Jess has also been watched by Sheffield Wednesday and Leeds, who could make counter offers.

Bolton management team of Roy McFarland and Colin Todd have spent £5m this sea-

son but there is more money available to them. Bolton are

quietly optimistic because Aberdeen have signed Dean Windass from Hull City as a potential replacement for Jess.

Crystal Palace have lined up Darlington's highly rated centre-back Sean Gregan to replace Chris Coleman. Palace's chairman, Ron Noades, has agreed

a £250,000 deal with the Third Division club.

Gregan will be allowed to leave because Darlington are in financial trouble despite signing a handful of players this season.

He will join Palace this week for a couple of days' training, while he completes a suspension.

Peter Schmeichel, who has

missed Manchester United's last

two games after an elbow operation, hopes to be fit for Sunday's Premiership match against Liverpool. He had not been expected to play before Christmas.

"I'll be working really hard this week and hopefully I'll be able to play, although there is a risk of making the injury worse. I don't want to play and run the next five games," he said.

Rowell forces England to watch video nasties

RUGBY UNION

TIM GLOVER

If England lose to Western Samoa at Twickenham on Saturday it will be their fourth defeat in a row. Jack Rowell, the England coach, did not need reminding. "I know," Rowell said, "somewhat snifflily. "I trained as an accountant."

To prevent such a débâcle, the squad have been given extra homework, adopting the role of film critic.

England have used videos before but now they have gone for the personal touch. Following the 24-14 defeat against South Africa at Twickenham each player was given a video of his individual performance and told to watch the film at home. For most of them it would have made uncomfortable viewing, almost akin to a horror movie. At least that is how Rowell saw it. "This time we want to make amends," big Jack said. "We didn't tackle well. English rugby has a problem playing against the power houses and there were a lot of errors. I wasn't happy with any of the three tries they scored. It would be easy to say we hadn't played together for five months but we aspire to world-class recognition.

We were highly motivated but we didn't follow the game plan. Our effort was totally dissipated."

Rowell kept referring to the game plan and seemed to be at a loss to understand how England failed to follow it against the Springboks. "England have got to get up," Rowell said. "We have got to find out who's running and who's walking mentally and physically. The stop-start game has been rapidly outmoded since the World Cup and either we get into it or we are going to be left behind. England owes the nation a big one on Saturday. They owe themselves a big one."

England have been working on tackling, scrummaging, almost everything, it seems. "More pressure work," Rowell said, "to expunge the high error rate." So it is back to the game plan and Rowell admitted that a lot will depend on the new half-backs, Paul Grayson and Matt Dawson.

"Our kick-offs were lamentable the last time," Rowell lamented. "We kept kicking the ball back to their powerful pack."

While acknowledging that Western Samoa were not the world champions, Rowell was also at pains to point out that they were no walkover. "Any team that goes to Murrayfield and gets a draw against Scotland deserves

respect," he said. "Their running backs are equivalent to the best of New Zealand and they have beefed up their forward play."

Over the weekend England players will again be presented with a video of their performance. It is called notational analysis and the idea is borrowed from American football. "It's better than just looking at cold statistics," Rowell said. "The videos are designed to help, to show the players exactly what they are doing in the game."

However, Rowell agreed that England, who trained yesterday without the captain, Will Carling, who has a cold, could have their focus blurred by the uncertainty surrounding players' contracts.

There are things floating around in players' minds," Rowell said. "They're thinking if I sign this will there be something bigger around the corner? Should my lawyer see it?"

The RFU could respond, by pointing out that the one thing the players' lawyers would not want to see is the video nasty of England's miserable defeat against South Africa.

WESTERN SAMOA V ENGLAND LINE UP: V. Vaveau, G. Lomax, S. Tuitavake, J. R. Williams, M. Milne, T. Laikeorere, P. Fonua, P. Lomavea, L. Faletau, S. Katoa, P. Lam (capt), S. Vatafa, S. Smith, M. Grayson, M. Dawson, D. Hosking.

England's debutants, page 27

EAU DE ROCHAS
POUR
HOMME

ROCHAS